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The Lego-isation of the nation

Section Two, Cover Story

As the Queen mourns with Dunblane, a survivor takes first steps to recovery

The day a nation fell silent

MARY BRAID

So perfect was the silence that everyone heard the 09.30am time check on the policeman's pocket radio. The young officer removed his cap and stared down hard at his boots. All around him people stood gazing at the deep carpet of flowers which now links the two entrances to Dunblane Primary School.

Across the river, the Cathedral's distant chiming also heralded the minute's silence for the 16 murdered children of Primary One and their teacher. A crowd had gathered in the churchyard where bouquets and teddies are now also appearing along the wall.

Throughout the town, cars stopped and people hurried inside to be with their families. A few stood statue-still in the street. In their high nests on the hill behind the church only the rooks broke the soundlessness.

It was a raw, miserable day. At 10am, half an hour before what should have been the Mother's Day service, the cathedral was already packed. But despite the cold and drizzle, hundreds who could not get inside stood stoically among the ancient tombstones.

Neither did the cold deter the 300 people who gathered to meet the Queen and the Princess Royal when they paid their respects that afternoon. Both were clearly upset after meeting children, teachers and emergency service staff.

The Queen and Princess Anne also met the injured, At Stirling Royal Infirmary. These included Ben Vallance, recovering from an arm injury. His

classmate, Robert Purvis, whose elbow was shattered when Hamilton opened fire, asked about her corgis.

It was a day which focused on the damage done to Dunblane's young survivors. Among the last into the cathedral service, attended by some of the bereaved, was a line of little boys and girls from the cathedral Sunday school, many of whom knew those who died.

It is the tradition in Scotland's principal Presbyterian church for Sunday school children to be present at the beginning of the main service. The Rev Colin McIntosh addressed the little ones first.

Inside

Many, he said, would be feeling sad, confused and frightened. They would not understand deaths which seemed so "unfair and wrong" but neither did their parents.

As every child and adult inside and outside the cathedral joined hands, Rev McIntosh read the names of all 16 children.

In Dunblane pain and anguish have become all pervading constants. But every so often bewilderment disobeys his home again with its original impact, scraping the heart raw.

This was such a moment. The role call set off an ocean of tears

surprising those who believed they had wept themselves dry.

The dignified, simple service lasted over an hour. The Scots are a reticent race, not given to gushy displays of emotion. But never were hymns sung with such feeling. When the Tannoy occasionally failed, the voices in the churchyard rang out clear and strong.

Occasionally, happy singing from the Sunday school hall drifted out to mingle with the adults' solemn verses. In the unrelenting gloom their childish voices harboured hope.

Rev McIntosh said neither the strongest words nor the strongest faith could bypass the pain of loss or protect people from the awful sense that with these deaths, something of their own life had lost its meaning. "When parents die... they take with them a large portion of the past, but when children die they take away the future as well," he said.

In the congregation at Dunblane's small Catholic Church was the mother of Joanna Ross, who will be buried at a nearby church today with her best friend, Emma Crozier.

As communities all over the country observed the one-minute silence in a moving display of national despair, Rev McIntosh said he had never seen such "an outpouring of speechless, silent love".

But he asked that the world's press leave Dunblane now to grieve. Many journalists, profoundly affected by all they have seen and heard, would wish to comply. Seldom has there been a sadder, more wretched story.



On the mend: The Dunblane victim, Ben Vallance, recovering from his arm injury

Photograph: Scottish Daily Record

NHS faces 'fat-cat' pay-off storm

BARRIE CLEMENT
Labour Editor

Several senior National Health Service officials stand to receive up to £200,000 each as part of "fat-cat" severance payments, now effectively banned in the City.

Five out of six regional chief executives are to enjoy the golden handshakes as part of their senior managers' contracts, which have yet to be abolished by the NHS executive.

The redundant officials, who earn around £70,000 a year, are on individual agreements which means they will receive up to three years' salary when they leave the service.

The regional chief executives are losing their jobs as part of an extensive reorganisation of NHS Supplies, just five years after it was set up to prevent duplication of the purchasing function and to buy in bulk. The organisation, which oversees some £2bn worth of expenditure, is being changed from a regionally-based structure to one managed on a national basis.

All six chief executives are expected to compete for one national job, although some insiders argue that the successful candidate may be worse off in the longer term than those forced out.

A spokesman for NHS Supplies said there were always costs when staffing was reduced.

The NHS Executive is said to be reviewing the practice of issuing three-year rolling contracts, which City institutions will no longer tolerate in publicly-listed companies.

In his report on top boardroom salaries, Sir Richard Greenbury counselled that such long-term agreements were unacceptable. Deals lasting up to one year should be the norm, he said.

The news emerges at a time when nurses have been offered a 2 per cent salary increase. Although there is provision for local top-ups NHS trusts have said only around 0.75 per cent will be available locally.

Henry McLeish, Labour health spokesman, said: "The Health Service has been under permanent reform since 1989. Tory policies are costing the taxpayers a fortune."

IN BRIEF

Massive debt write-off
A total of £22.5bn in debt has been written off before privatisations since the Government came into office. Page 5

Windy City wonders
Two Chicago teenagers have achieved national fame through their reports on life and death in the poverty-stricken housing projects in the city. Page 12



Ministers prepare escape route on nursery vouchers

JUDITH JUDD
and DONALD MACINTYRE

The Government will today bow to mounting criticism of its controversial nursery voucher Bill by giving itself an escape route if the scheme proves unworkable.

In a move which goes significantly further than they have yet done in recognising the difficulties faced by the controversial scheme, education ministers have injected an optional element into the scheme.

Until now, Gillian Shephard, the Secretary of State for Education, has insisted that the voucher scheme to be introduced in four local authorities this autumn will be extended to all au-

thorities next April. All parents would receive £1,100 vouchers.

But amendments to the Bill to be tabled by Mrs Shephard tomorrow will give ministers power to make the scheme optional if they decide the first phase has thrown up insuperable problems. The redrafting of sections of the Bill is partly in response to Tory critics who have argued that local authorities already providing good nursery care should not be disadvantaged by the introduction of the new voucher scheme.

But it is likely to intensify the right-wing backlash against Mrs Shephard for not being robust enough against those who argue that vouchers have only a limited role in expanding nursery

care. It could also fuel continuing tensions between the Department for Education and Employment and Downing Street, which has argued for a more radical stance on education policy - from nursery vouchers to grant-maintained schools. The scheme has run into difficulties in Westminster, Wandsworth, Kensington and Chelsea, and Norfolk where all parents of four-year-olds have been sent application forms.

In London only half the eligible parents have applied, though in Norfolk the take up is 75 per cent. There is confusion among parents: some with four-year-olds already in school have thrown away their forms because they believe they do not

need vouchers. Whitehall officials have also recognised that private providers have been slow in coming forward partly because of fears that the scheme may not be workable in all authorities and partly because of fears of it being overturned by a Labour government.

The changes to the Bill, which reaches its third reading in the Commons on Tuesday, mean the first phase of the scheme could become a pilot after which ministers would take stock and decide what to do.

They could still proceed with a compulsory national scheme or they could decide to target only those local authorities which have the fewest nursery places for four-year-olds.

Sri Lanka wins World Cup

ADAM SZRETER

Sri Lanka overcame the odds to win the final of the cricket World Cup in thrilling style yesterday, beating Australia by seven wickets at the Gaddafi Stadium in Lahore.

The man of the match was Aravinda de Silva, who took 3 wickets for 42 runs in the Australian innings and followed it up with a superb unbeaten century. The captain, Arjuna Ranatunga, had the honour of scoring the winning boundary.

For a country that until before the tournament was regarded as an international makeweight, victory completed a massive leap in status.

Although they co-hosted the tournament with India and Pakistan, the odds against Sri Lanka winning were as high as 33-1 a few months ago.

It was a victory for the attacking, imaginative cricket that

marked Sri Lanka's performances at every stage of the tournament.

That it was Australia who were beaten in the final made the victory all the more satisfying: the Australians and the West Indies had refused to play their group match in the Sri Lankan capital, Colombo, following bombings by Tamil Tiger separatists a few days before the World Cup began.

The World Cup was a personal triumph for the Sri Lankan coach, Davenell Whatmore, who was born in Sri Lanka but brought up in Australia.

His appointment last June has been an important factor in transforming the Sri Lankans, a talented group of individuals, into a compact, world-beating team.

"Sri Lanka were the better side on the day and they deserve to be World Cup champions," said Mark Taylor, the Australian captain.

Ranatunga said: "It's a great day for us. We said we wanted to be a world force by the year 2000 and, in terms of one-day cricket, we've achieved that four years early."

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De Silva: Man of the match

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SILENCE FOR DUNBLANE

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'I offer them my thoughts and prayers'

CLARE GARNER

For the past few days it is all anybody has talked about: but at 9.30am yesterday the words ran out. Across the country Britons stopped in their tracks to observe a minute's silence as a tribute to those who died at the hands of Thomas Hamilton exactly four days earlier.

As the small Scottish cathedral city struggled to come to terms with its grief, people from every corner of Britain drew to a standstill as an expression of solidarity with Dunblane. At the other end of the country, residents in the tiny west Cornwall fishing port of Mousehole marked the silence by launching the Penlee lifeboat maroon. The loss of eight local crew members in an accident in 1981 meant they could identify with the loss felt in the small community.

All major television and radio broadcasters observed the silence, as did airports, railway stations and supermarkets. Travel by land, sea or air was suspended for the 60 seconds. The observance was comprehensive. Shoppers, prisoners, transport staff, tourists, young and old: they all bowed their heads as a mark of respect on the Mother's Day which turned into a national day of mourning.

Phyllis Rose, 63, a grand mother who runs a stall selling bathroom accessories at the busy market in Petticoat Lane, east London, borrowed a friend's loudspeaker so she could alert shoppers to the minute's silence. "What kind of Mother's Day is this, that we have to stand and remember all those poor children that died?" she asked. "There is really nothing we can do to help the parents and the friends of those kiddies,

but I think this is just a way of telling the people of Dunblane that the nation grieves with them."

Many were visibly moved by the unified tribute. As London's Euston Station moved back into action, Jodie Dunster, 16, said with tears in her eyes: "It was really nice how everyone was just standing there and thinking of those children. It's really special how everyone paid attention to that. I can't imagine what the mothers will be feeling. I just offer them my thoughts and my prayers."

All cross-Channel ferry services from Dover were put on hold as passengers, crews and port workers remembered the 16 children and teacher who died. "All of our ferries, whether they were in the ports of Dover or Calais or mid-Channel did the best they could to observe the silence," said a spokesman for the P&O ferry operator. And passengers bowed their heads at Railtrack's 14 main stations, where trains were delayed for five minutes.

Even the hubbub at Gatwick and Heathrow airports halted as machines closed down, sales stopped, and silence descended both in terminal buildings and on the tarmac.

At Maidstone Prison, where inmates and staff have already raised £1,000 towards the disaster fund, prison officers and their charges all stopped what they were doing. A spokesman said: "Everywhere was quiet. The prison wings, cells, kitchens - everywhere."

Many stores stopped for impromptu ceremonies at the request of staff. Two hundred Sainsbury's stores around the country observed the silence and all activity ceased in the country's 670 McDonald's restaurants.



James Cox, duty manager at Bristol Templemeads rail station, observing the silence and (left) staff at Safeway, St Helens, Merseyside Photographs: Chris Jones, Craig Easton

When killer ran the gauntlet of anger

JAMES CUSICK



Flashback: Hamilton being chased by parents

This is the moment when parents' anger with Thomas Hamilton boiled over after allegations of sexual abuse on a youth camp he had organised.

Hamilton fled as he was pelted with eggs and shampoo when he appeared at Linlithgow Academy, near Edinburgh, in May 1989, after parents had heard rumours about his behaviour on a previous trip. The boys' club being run by Hamilton subsequently folded.

The activities of Hamilton in the years leading up to his slaughter of 16 children and their teacher in Dunblane will form a central part of the inquiry into the events.

One of the crucial questions which has to be answered is where Hamilton got his money from. How could an unemployed, 43-year-old man finance an expensive photo-

graphic hobby and an expensive gun hobby?

The apparently low income Hamilton is thought to have had is at odds with his spending. Descriptions of him conjured up a picture of a quiet "anorak" type, his flat in Stirling a mess, strewn with the debris of poverty. He is described as a loner eating a Christmas dinner of near bread and water. Yet such descriptions conflict with other areas of Hamilton's life.

Since his DIY and kitchen business failed in the 1970s Hamilton had continued with activities that do not fit in easily with the lifestyle of someone without regular income.

In Hamilton's recent interview at Callander Gun Club the question of his ability to pay for his gun hobby did not come up. Secretary Raymond Reid said: "We didn't ask." However, Mr Reid added: "People who are unemployed would have better

things to do with what little money they have. If someone is unemployed, then a gun hobby would be a big lay out."

Of the four handguns that Hamilton was carrying when he entered the school on Wednesday a .357 Magnum was recently bought through mail order. What price he paid is unknown but even as second-hand Magnum can cost several hundred pounds.

Just after Christmas last year Hamilton began an ordering spree of ammunition. On 30 December he spent £91 at the London Armoury. In the following weeks he spent a further £53.50 and £61.90. Callender's annual club fee is £50 plus the levy to the National Smallbore Rifle Association of £12.50. Ammunition for someone shooting regularly would cost, according to Mr Reid, "upwards of £20 every month". There would also be range fee of £1

each time Hamilton practised. Hamilton charged the boys who attended his various clubs, usually £1 per session. But even though he ran weekend trips and camping holidays none would have made him a profit.

So where did his income come from? Apart from the gun hobby central to Hamilton's life were the photographs he took. It is understood that detectives probing into Hamilton's life are concentrating heavily on his photographs.

What is not in dispute is that Hamilton took plenty of pictures. Those on almost public display inside his house - those with enough curiosity to peer into his window saw walls decorated with pictures of scantily clad boys - do not make money. Fully naked boys are not. This may prove to be a crucial area for the police to investigate.

Death sparks call to end CS trials

WILL BENNETT

Police trials of CS sprays should be suspended following what is thought to be the first death of a man arrested by officers using one of the canisters, civil liberties campaigners said yesterday.

Ibrahim Sey, 29, died shortly after police used the controversial spray to restrain him during a row with his wife outside their home in Forest Gate, east London, early on Saturday.

A post-mortem examination showed that Ghanaian-born Mr Sey collapsed after a period of exertion and was suffering from hypertensive heart disease. A Scotland Yard spokesman said: "The findings

of the post-mortem do not link the death to CS incapacitant spray at this stage. Further tests will be undertaken."

Toxicology tests, involving analysis of blood, heart and brain, are being carried out to see if the spray, now being tested by 1,300 officers in 16 forces, brought about Mr Sey's collapse or contributed to his death.

But critics of the six-month trial, which began on 1 March, say that not enough is known about the effects of the spray, and two weeks ago, a leaked document from the Association of Chief Police Officers acknowledged that there were "possible health risks".

The canisters, which are supposed to be used defensively to

restrain violent people, mix CS powder with a solvent and are sprayed into the face. This causes breathing difficulties, streaming eyes and nose, spasms of the eyelids and in some cases blistering to the skin. Three police officers are suing for damages, alleging that they were injured by the gas during testing of the sprays before the current trials were introduced.

Dr Alistair Hay, reader in chemical pathology at Leeds University, who has studied CS gas, said: "My major concern has been the effect on asthmatics and that it can cause people to develop a condition called reactive airways dysfunction syndrome."

Science, page 20



Ibrahim Sey: CS gas used before he died in custody

DONALD MACINTYRE
Political Editor

A leading Ulster Unionist yesterday sought to calm the new row between his party and the Government as fresh details emerged on how ministers intend to proceed to all-party talks on 10 June.

Ken Maginnis, the party's security spokesman, was speaking in the wake of a Northern Ireland Office document which provoked an angry reaction from the UUP leader, David Trimble, at the end of last week. Mr Maginnis criticised "ambiguities" in the proposals but added: "I haven't got terribly excited about the document."

The document has irritated

Unionists by appearing to give the Irish as well as the British government some say in the progress of the all-party talks by setting up a "co-ordinating committee" composed of representatives of both governments.

And it also makes clear that the first session of all-party talks would "address" rather than "oblige" all parties, including Sinn Féin, immediately to honour the tough conditions on decommissioning set down by the Mitchell report.

But as Mr Maginnis made it clear that the Ulster Unionists would definitely take part in the talks, there were growing hopes among their number that the Cabinet Committee on Northern Ireland would back a version of

the multi-constituency electoral system favoured by the UUP.

A government statement is expected on Thursday, laying out the system for the conduct of elections to the body from which representatives taking part in the talks would be chosen. The Government is also thought to be warming to the idea of a referendum designed to underline the opposition to violence on both sides of the border. This is distinct from the referendums which would endorse, much later, any proposals for change in the status of Northern Ireland resulting from the all-party talks.

The document also makes clear that if it is impossible to achieve unanimity in the all-party

talks, they could proceed on the basis of "sufficient consensus among the political parties" if it resulted in a decision acceptable to majorities of both the nationalist and Unionist communities. This would appear to suggest that while Sinn Féin would be unable to veto progress, a settlement could not proceed without the assent of Ulster Unionists.

Asked about the NIO proposals on BBC Television's *Breakfast with Frost* programme, Dick Spring, the Irish foreign minister, said: "This is only one of three documents that is in circulation at the present time. What I would be saying to all the leaders is 'look at all the documentation in its totality'."

Maginnis mediates in Ulster talks row



"Imagine being able to switch off cancer."

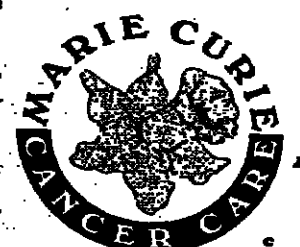
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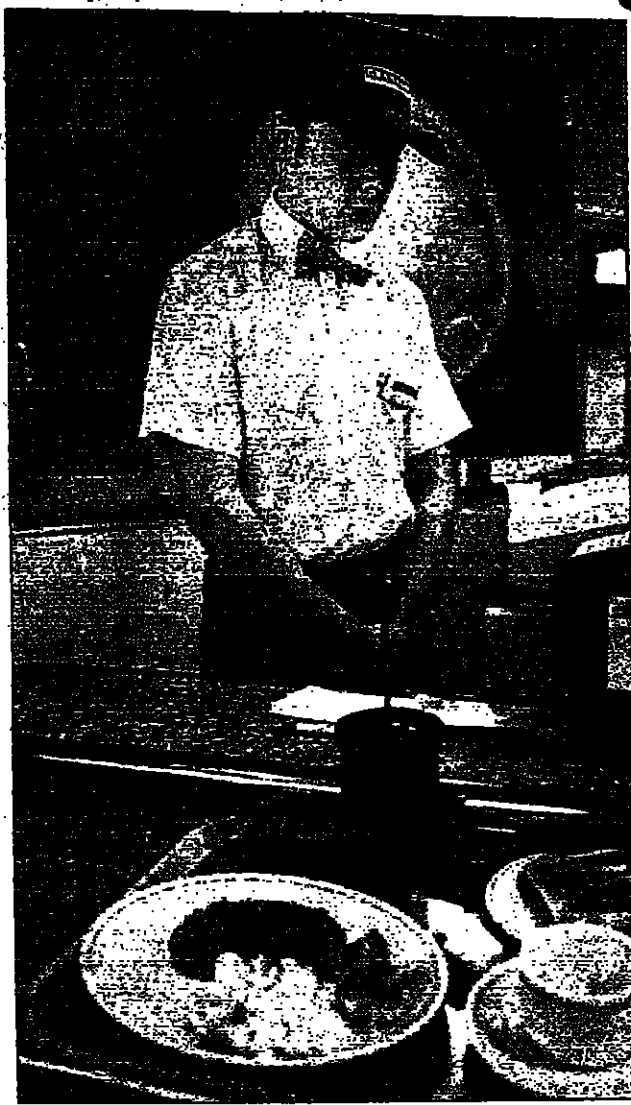


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SILENCE FOR DUNBLANE

as a nation grieves for the children of Class P1



Mourners outside the school at Dunblane stand for the silence yesterday (above); Angela Matthews a mother from Cornwall sheds a tear at a Mother's Day service at Birmingham Cathedral (left); and Gareth Thomas stops work for a minute at Granada service station at Reading

Photographs: Brian Harris, Newsteam, Rob Judges

Mellor's call for handgun ban must wait

DONALD MACINTYRE
Political Editor

The Government looks unlikely to act swiftly on gun laws despite a call yesterday from the former Home Office minister, David Mellor, for tough action in the wake of the Dunblane massacre.

Ministers do not expect to announce changes to the laws at least until after Lord Cullen's public inquiry into Dunblane. Lord Cullen's report is likely to consider whether the tighter gun controls being sought by many MPs are necessary in the light of the tragedy.

However, the Government looks increasingly likely in the wake of the tragedy to legislate for the fitting of V-chips on new televisions – allowing parents to stop children seeing violent or sexually explicit programmes.

An all party consensus building up behind an amendment to the Broadcasting Bill drawn up by the Liberal Democrat MP

David Alton has been given added impetus by public horror over Dunblane – and has the support in principle of Virginia Bottomley, the Secretary of State for National Heritage.

Michael Howard, the Home Secretary, though open minded on the guns issue, will not take precipitate action of the sort called for yesterday by Mr Mellor. He will, however, institute new internal discussions in the Home Office on the issue and consider carefully any fresh recommendations made to him by the Home Office's firearms consultative committee.

Mr Mellor said yesterday that the Government had failed to act decisively enough in the wake of the Hungerford massacre and should not "funk" tough action on guns now.

He announced his intention to table an amendment for the next Criminal Justice Bill seeking a ban on the kind of handguns used by the Dunblane

killer, Thomas Hamilton. He said that a "crusade" against military-style pistols and revolvers was needed to counter the political influence of the gun lobby in Parliament.

Mr Mellor suggested that the public should keep their anger "bottled up for the time when politicians start to wobble". He added: "We cannot allow the powerful shooting lobby

to bend the ears of MPs as they have done in the past."

Scottish Labour MP George Foulkes said there was a "growing tide" in favour of outlawing handguns.

But Tory Michael Colvin warned against "knee-jerk" reactions to the Dunblane tragedy and said he believed it would be better if Parliament considered legislation to ensure handguns

were kept on gun club premises. Mr Colvin, a shotgun owner and captain of the House of Commons shooting eight, added: "The differentiation being made between rifles, shotguns and handguns is a bit academic because you can saw off a shotgun and have a very effective handgun."

Meanwhile, it was revealed that prior to last Wednesday's

tragedy at Dunblane, the Home Office had commissioned research into how better to identify paedophiles who may be involved in voluntary or public service care of children. Although the research could prove to be relevant to the case of Hamilton – who ran a variety of youth groups – it is not expected to be completed for several months.

Law blamed for adding to disaster victims' trauma

LIZ HUNT
Health Editor

Victims of major disasters, such as the sinking of the *Marchioness* and the *Herald of Free Enterprise*, suffer additional stress and trauma because of the inadequacy of the law, a leading lawyer said yesterday.

Michael Napier, president of the Association of Personal Injury Lawyers, is calling for urgent reform of the legal process governing disasters, and the introduction of a single "one stop" public inquiry specifically designed for disasters.

Mr Napier, who has represented many victims of recent disasters and their families, said there had been 13 major incidents in the UK since since Aberfan in 1966.

"We might have expected

that the experience of so many disasters... would have led to improvements in our ability to respond to the legitimate needs of the victims. However, the sad reality is that... nothing has been learned [about] how badly things can go wrong and why we need reform."

The sinking of the *Marchioness* in August 1989 was a perfect example, Mr Napier told the First European Conference on Traumatic Stress in Emergency Services, Peacekeeping Operations and Humanitarian Aid Organisations in Sheffield. There have been three trials, two inquiries and two official reports and now, almost seven years after the tragedy, the file was with the Director of Public Prosecutions.

"This means that although for many, the story of the *Mar-*

chioness is history, for its victims it remains very much in the present day. Their anger and suffering continues. Deprived of the knowledge of what really happened that night, deprived of a full explanation, an apology, even vengeance on those they hold responsible, they are unable to put their experiences behind them."

There were no less than seven different types of inquiry in England and Wales that could follow a disaster, Mr Napier said. But one wide-ranging inquiry would provide the victims and their families with:

- A detailed investigation of the facts to establish how the disaster occurred;
- How each person met his or her death;
- How the disaster could have been avoided;

- How to improve safety for the future;
- The assessment and apportionment of blame;
- The penalising of the culpable.

Scottish law was more advanced, and the Fatal Accident Inquiry announced in the wake of the Dunblane massacre would combine the elements of an inquest with a wide-ranging investigation into the facts and determine responsibility.

■ Terry Waite, the former Beirut hostage, yesterday attacked the views of the Princess Royal as he urged those in Dunblane to take advantage of stress counselling. Princess Anne, who visited Dunblane with the Queen yesterday, angered counsellors when she said more common sense and less counselling was needed.

Counter-intelligence for mini-bars

ROS WYNNE-JONES

Hotel mini-bar thieves are on their last free drinks thanks to the appliance of high-technology to the service.

In the past some hotel guests have gone to extreme lengths to obtain a free tipple from using the bare-faced lie to secretly siphoning cans dry.

However, the advent of computerised minibar security means the system is getting harder, sometimes impossible, to beat. Hotels are introducing a range of devices from move-

ment sensors to infra-red detectors and fibre optics.

Old tricks, recalled by hotel managers, range from simply filling up the gin bottle with water to more ingenious thieving. One fell for a ruse where a guest pierced a can of lager, drained its contents with a straw, and then replaced it in the fridge.

John Josef, who runs room service at the the Park Lane Hilton, in central London, said he had seen them all. "At the Hilton the guests are less likely to behave in this way, but elsewhere I have seen bottles filled

up with water and other tricks. Other people just say they have not taken a drink and if you say different, they say 'prove it'. Then what can you do?"

Now the latest minibar technology is helping hoteliers fight back. At the Pan-European Hotel Technology Show in Amsterdam, the latest devices included a system that could detect movement in a minibar using sensors, an infra-red eye that "watches" every bottle and a gadget that allows staff to tell from outside a room whether the minibar has been opened.

Andries de Vaal, a leisure industries analyst with Deloitte and Touche, the accountants, said the new systems were curbing minibar theft. "One of the best systems is to link the minibar to the front desk by using a fibre-optic" he said. "If you touch a bottle that sends a pulse down the fibre optic to the front desk and the drink is immediately charged to your bill."

He said the devices cost hundreds of pounds per unit, but "offset against the amount paid by guests over the unit's lifetime, the cost is practically nothing".

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(And for the whole family)

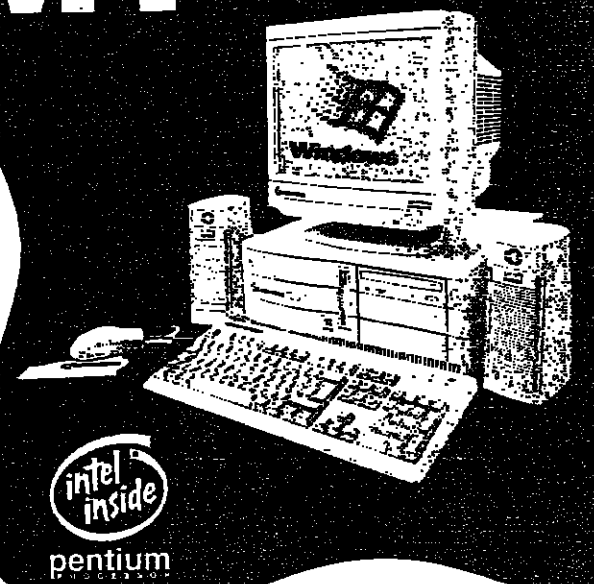


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news

Clarke 'will not quit over referendum row'

DONALD MACINTYRE
Political Editor

Malcolm Rifkind, the Foreign Secretary, yesterday dismissed the prospect of Kenneth Clarke resigning from the Cabinet amid intensive behind-the-scenes efforts to reach a deal ensuring that the Chancellor finally agrees to a referendum on the single currency.

Mr Rifkind insisted there was not "the slightest possibility" that the Government would lose Mr Clarke over the issue, and he predicted the Cabinet would reach agreement this week when it debates the paper he is producing on a referendum pledge.

After clear signs that John Major is now determined to promise that a Tory government would not lead Britain into a single currency without a referendum, strongly based reports that Mr Clarke, who is

currently on a working trip to southern Africa, could push his opposition to a referendum to resignation last week, sent tremors through Whitehall.

But some of Mr Clarke's senior ministerial colleagues are hoping that the terms of the pledge – and in particular a promise that dissident Eurosceptic Cabinet members would have to campaign for a single currency in such circumstances or resign – will pull a reluctant Mr Clarke back from the brink.

Such a promise could be balanced by a renewed pledge from Mr Major that he will not seek to rule out future membership of the single currency in the Tory election manifesto.

And in another move, which will be construed as a possible further concession to the Europeans, Mr Rifkind provoked a backlash of Eurosceptic criticism by hinting at the possibility yesterday that a referendum might not necessarily be binding on the Government.

Although it is not certain that such concessions would be enough to pacify Mr Clarke, Mr Rifkind's paper is expected to recommend that in the event of a Tory Cabinet decision to join a single currency after the election, Mr Major would not allow ministers the freedom to campaign according to their consciences.

This could itself provoke a fierce tussle at the Cabinet since Eurosceptic ministers such as Michael Portillo, the Secretary of State for Defence, could be forced to risk their political careers by campaigning against a single currency. Mr Portillo is also strongly opposed to a referendum pledge but has indicated that as a "team player" he will abide by a Cabinet decision to promise a referendum.

The Foreign Secretary said yesterday on LWT's *Jonathan*

Dimbleby programme that the referendum proposal would be resolved after a Cabinet discussion of all the issues.

He also indicated his paper would look at a "lot of related issues" as well as the actual question of whether to make the referendum pledge binding or advisory.

In an immediate reaction to the suggestion that it might not be binding, the leading Euro-rebel Bill Cash asked: "What is the point of having a referendum unless the Government is going to accept it?"

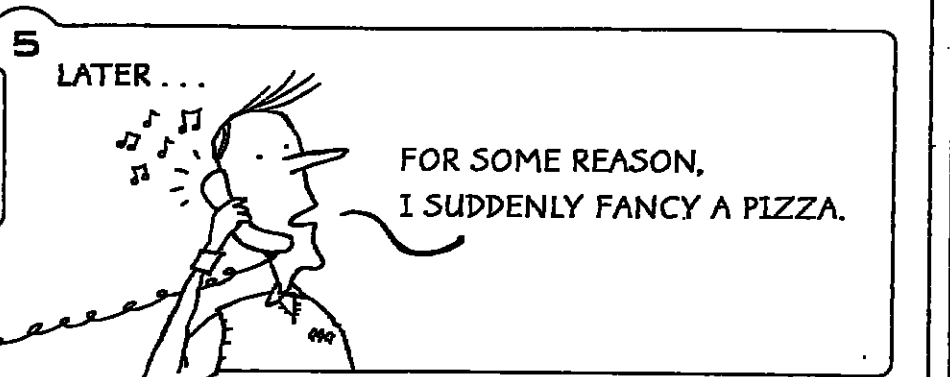
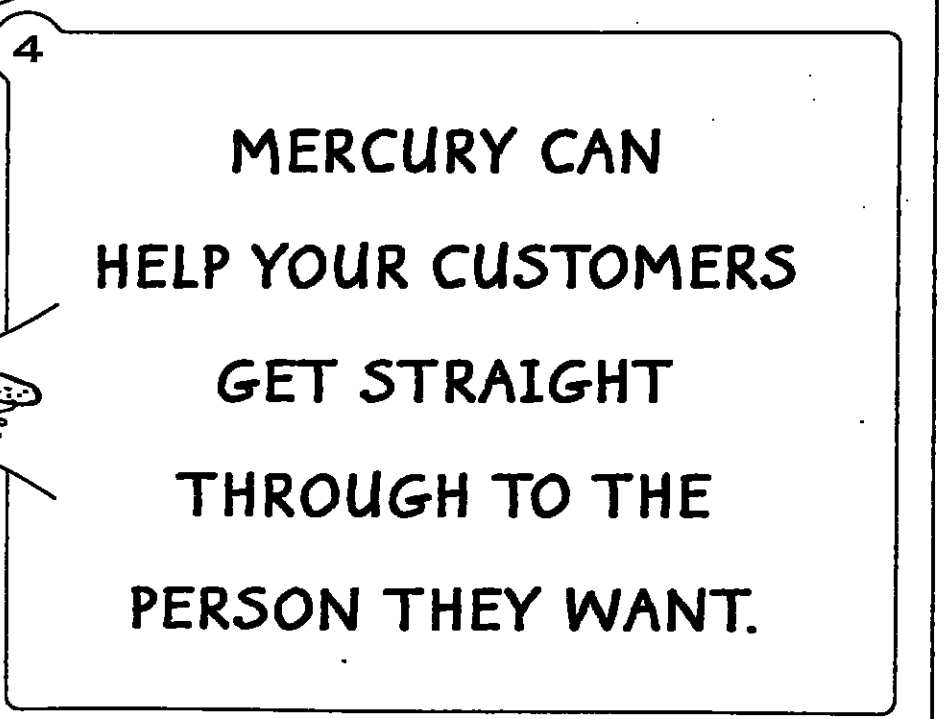
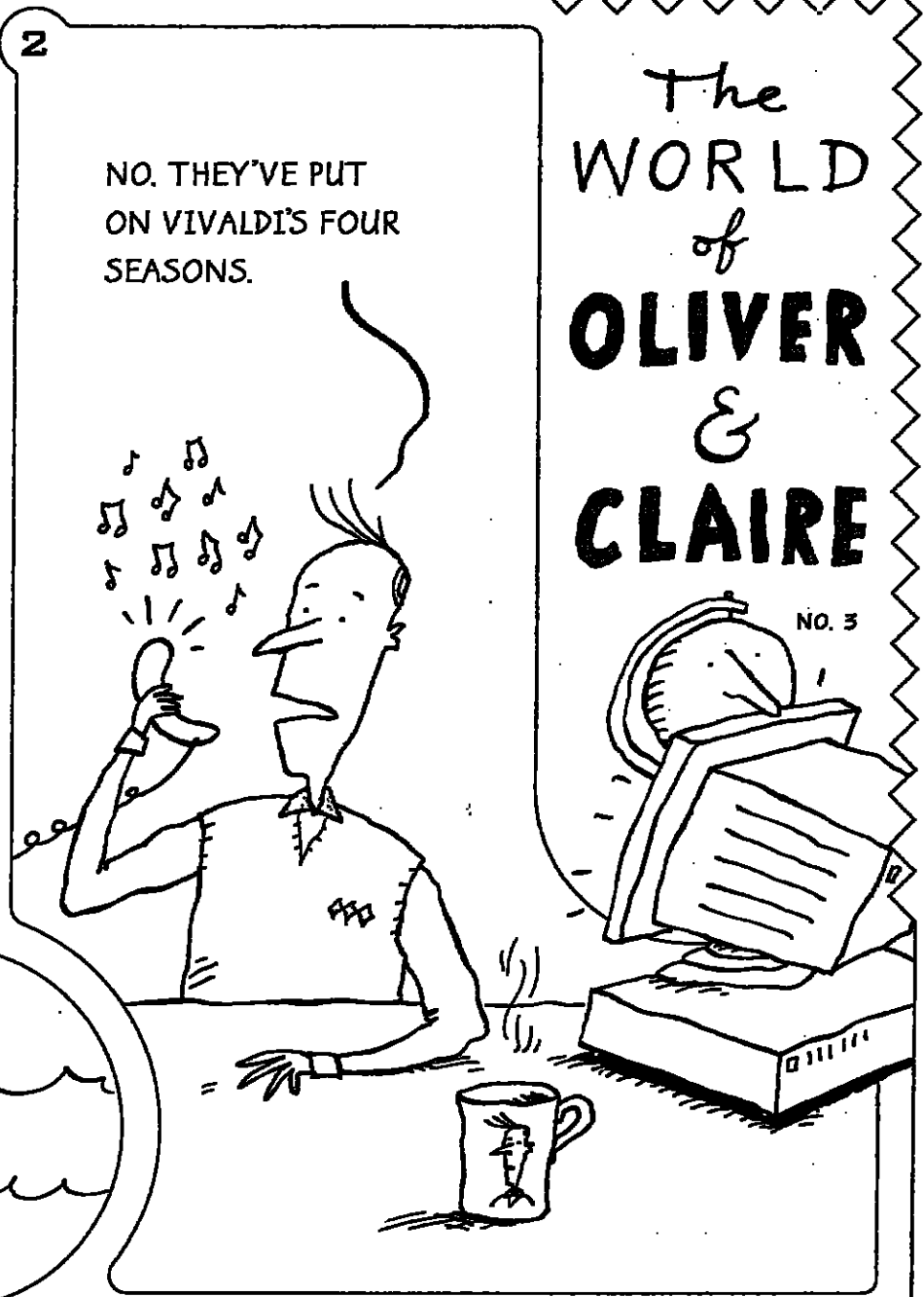
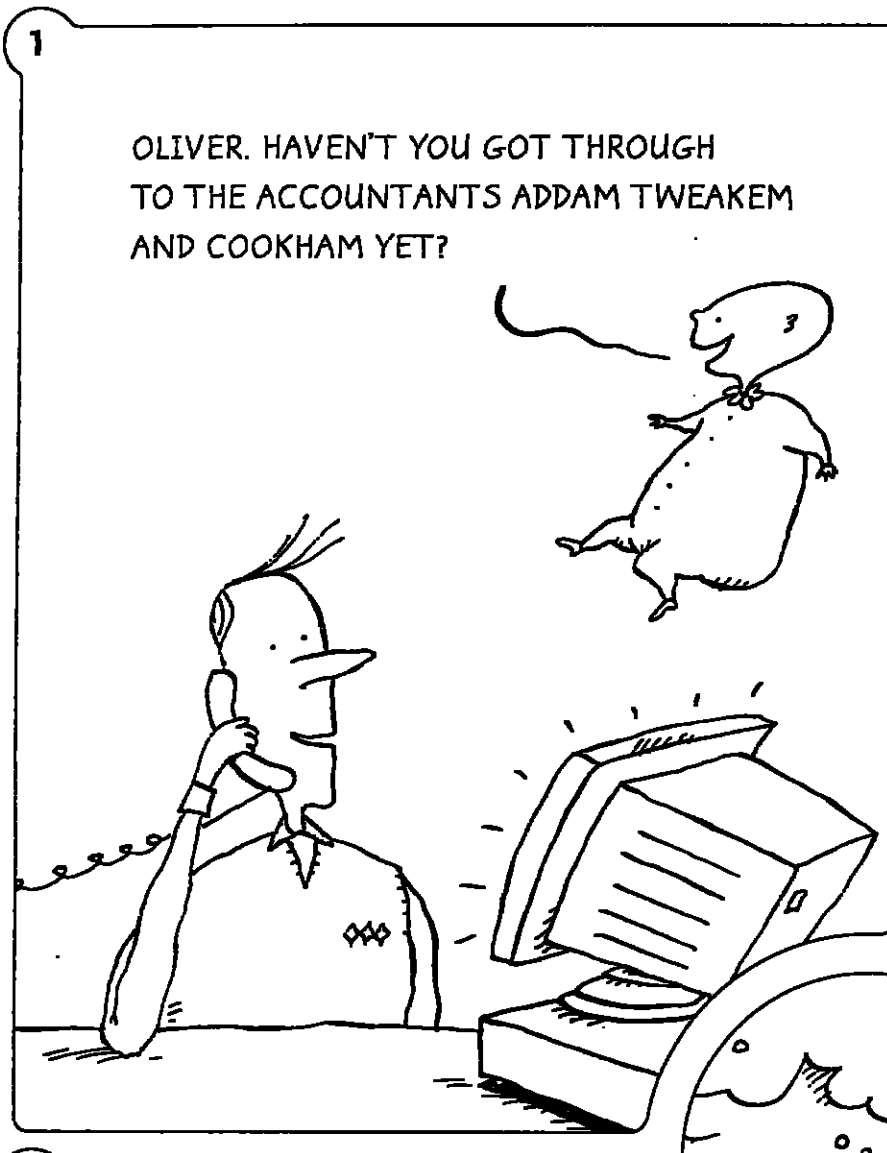
And John Townend, chairman of the right-wing 92 Group, said he was "surprised" that Mr Rifkind had even mentioned an advisory referendum. He added: "There is no point in having a referendum and not abiding by it." In practice most politicians believe that even an advisory referendum would be morally binding.



Ready to wear: A tartan plaid outfit and a houndstooth check wool jacket worn with brown trousers forming part of the Valentino Boutique collection at the Paris fashion show yesterday



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Doctors to review coma guidelines

CLARE GARNER

New guidelines on the diagnosis and care of patients supposedly in an irreversible vegetative state are to be issued later this year, following the case of a man who woke up after seven years.

The existing rules, published in 1992 after the case of the "right to die" Hillsborough victim Tony Bland, state that at least a year must pass before any decision is reached on the patient's future. But following the latest example of a coma patient coming round, the British Medical Association will this week start updating its guidelines for the treatment of patients in a persistent vegetative state (PVS).

"We were due to review our guidelines but obviously this case highlights the need to do so more urgently," said a BMA spokesman. "It raises the issue of classification of persistent vegetative state and looks at the timescale. By the end of spring we hope to have new guidelines."

The case of the former businessman who started communicating with staff at The Royal Hospital for Neuro-Disability in Putney, south-west London, after seven years of supposedly being in PVS, has highlighted the difficulties of diagnosis. The patient arrived at the UK's only centre for treatment of PVS at the end of November, supposedly in a vegetative state. Within weeks of assessment, he was defined as "not in PVS".

A hospital spokeswoman said: "The situation at the moment is that the man is profoundly disabled. That is, he will be sitting in a wheelchair and he will be using very limited means to communicate."

Professor Bryan Jennett, Emeritus Professor of Neurosurgery at Glasgow University, who diagnosed the man as being in PVS last year, said such cases depended wholly on clinical observation. "The case highlights the caveat which has always existed in the guidelines: that one must try to be as sure as possible that the person is in PVS and not 'locked-in' syndrome [a state which allows limited communication]."

The hospital has conducted a study into similar cases of misdiagnosis "so we can have confidence in looking at the options".

Leading article, page 14

IN BRIEF

'Scope to improve' EU fishing policy

A call for Europe-wide talks to reform the controversial Common Fisheries Policy was issued yesterday by the European Fisheries Commissioner.

Emma Bonino told fishermen and industry leaders in Devon and Cornwall that there was "broad scope" to improve the policy. But she said there were already ways to reduce the impact of quota-hopping and promised "all legal assistance".

Farm pay threat

Farmworkers could take industrial action over their claim for a pay rise of at least 8 per cent. Negotiators from the Transport and General Workers' Union are meeting employers tomorrow to seek a minimum wage of £4.15, compared with the current £3.83. They claim farmers' income has risen by 1.70 per cent since 1991, while labour costs have gone up just 3 per cent.

Housing plea

The Government and local authorities should make better use of derelict and polluted industrial sites to ease the housing shortage, according to a report today by the Joseph Rowntree Foundation. It said the cleaned-up sites could go a long way towards meeting England's projected need for 250,000 new homes in the next 20 years.

Pregnant pause

Pregnant women carrying sons have to wait longer for labour to begin – but once it does, boys emerge quicker than girls, a survey of 1,000 women for *SHE* magazine found. One in three new mothers reported that her son was born at 41 to 42 weeks, compared with the median 39 weeks, but sons take an average 9 hours to be born compared with nearly 10 for girls.

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Debts of £22.5bn written off for privatisations

DONALD MACINTYRE
and WILL BENNETT

A total of £22.5bn in debt has been written off by the Government ahead of successive privatisations, since 1979, the Treasury has admitted.

The figure comes to light in the midst of the inter-party row over the level of debt the taxpayer will have to fund for rail privatisation - and coincides with a fierce conflict between ministers and the nuclear industry over how much debt it will have to shoulder when it, too, is privatised.

The largest single debt - more than £6bn at current prices - was that of the former water companies. This morning, damning criticisms of mismanagement by Yorkshire Water will be made by the National Rivers Authority when an inquiry into the region's water shortage begins.

The figures, released in a Commons answer to a Labour shadow minister Brian Wilson, by the Treasury Minister Michael Jack, also show that the amount of debt written off vastly exceeds the amount "injected" into newly privatised industries - or, in other words, carried by the industry rather than the taxpayer. That

figure was £13.94bn at current prices.

Mr Wilson, a transport spokesman, said last night that he had asked the question because of the £2bn or more debt expected to be written off in respect of both the Channel Tunnel Rail Link and of Railtrack. Mr Wilson claimed: "The taxpayers' interests have been ruthlessly set aside in order to give privatised companies a clean sheet. This is equivalent to every household giving the shareholders of privatised companies a cheque for £2,000 and then saying: 'forget about it'."

The new figures come as British Energy is locked in a struggle with Whitehall over whether it should come to the stock market with £1bn in debt as ministers want, or whether, as the industry wants, only £500m, with the rest being written off by the taxpayer.

At the inquiry which opens in Leeds this morning, Yorkshire Water will be accused of ignoring warnings of an impending crisis, failing to reduce leakage from mains over many years, breaking its own rules for operating reservoirs and delaying measures to cut demand.

The report has been compiled by Dr John Mawdsley, water resources co-ordinator of the

NRA, a watchdog body which is about to become part of the new Environment Agency.

He says that Yorkshire Water's failure to reduce leakage from mains and water pipes over many years contributed significantly to last year's drought in the region and that leakage in Bradford has actually increased since the company tried to tackle the problem.

The NRA calculates that the Yorkshire region will need substantial extra water resources to meet a predicted shortfall over the next 10 years. The watchdog body believes that drought orders asked for by Yorkshire Water in 1984, 1989, 1990 and 1991 "were probably not justified by the weather conditions".

On Friday, Yorkshire Water announced that Trevor Newton, its managing director, was taking early retirement at the age of 53. The chairman, Sir Gordon Jones, has also announced his retirement.



Paper dreams: Campaigners holding white cut-out doves as a symbol of their wish for peace at a rally yesterday at St Martin-in-the-Fields, Trafalgar Square, organised by the National Peace Council. They called for peace in conflicts in Britain and Ireland

Fattened for market: The price of disposal

Year	Company	Disposal price (£m)	1995-96 price (£m)
1980-81	British Steel	100.0	100.0
1980-81	British Aerospace	100.0	100.0
1980-81	National Freight Corporation	100.0	100.0
1980-81	British Airways	100.0	100.0
1982-83	British Transport Docks Board	100.0	100.0
1984-85	BT	100.0	100.0
1986-87	BA	100.0	100.0
1988-89	British Steel	100.0	100.0
1989-90	Hartford & North	100.0	100.0
1989-90	Short Brothers	100.0	100.0
1989-90	Water Companies	100.0	100.0
1991-92	Scottish Electricity Corporation	100.0	100.0
1994-95	British Coal	100.0	100.0
Total		100.0	100.0

Defence 'waste' of £1m château

Labour yesterday accused the Ministry of Defence of squandering more than £1m of taxpayers' money over the sale of a Belgian château which "it was madness to buy in the first place".

David Clark, shadow Secretary of State for Defence, said: "This bleeding of public finances by the Ministry of Defence has to be stemmed - and quickly."

Dr Clark is to table Commons questions to the Secretary of State, Michael Portillo, over the purchase in 1992 of the Brussels Château Bois de Mai for £2.2m to serve as the official residence of Field Marshal Sir Richard Vincent as chairman of Nato's military committee. "£800,000 was spent on refurbishing it. Now, after four years in the post, Sir Richard has moved on and the Ministry are having to sell it for £1.55m."

"Taxpayers' money is no longer safe in the hands of the Ministry of Defence. It is a scandal and an outrage that they have wasted this money. Most

other nations rent rather than buy property for this purpose, which is the eminently sensible thing to do. It was therefore sheer madness to buy this property in the first place when they could have leased something equally suitable and at far less cost to the British taxpayer."

"This is why I now call the Ministry of Defence, the Ministry of Waste. This £1m down the drain is just the latest scandalous example of the billions of pounds they have wasted over recent years."

A Defence Ministry spokeswoman said: "In the case of this property, when the job the officer was doing came to an end, we have a disposal policy under which we hope to get money back for the taxpayer for all properties surplus to requirement." She could not confirm the £1.55m sale price Dr Clark mentioned, as the figure was commercially confidential.

"It was thought that in the long term it would be better value purchasing than leasing a property," she added.

DAILY POEM

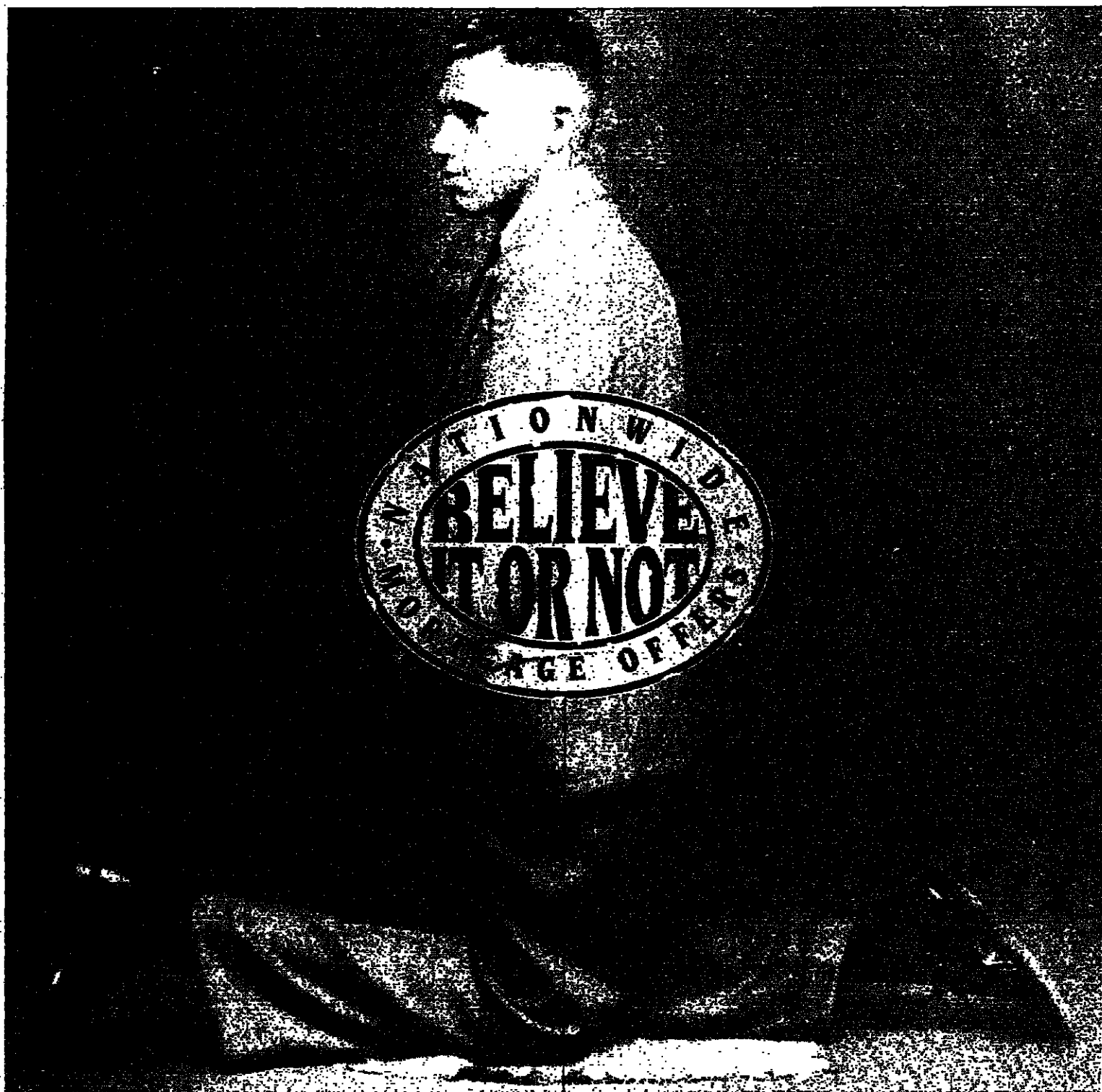
Futility

By Wilfred Owen

Move him into the sun -
Gently his touch awoke him once,
At home, whispering of fields half-sown,
Always it woke him, even in France,
Until this morning and this snow,
If anything might rouse him now
That kind old sun will know.

Think how it wakes the seeds -
Woke once the clays of a cold star.
Are limbs, so dear achieved, are sides,
Full-nerved, still warm, too hard to stir?
Was it for this the clay grew tall?
- O what made Janus smothered toll
To break the earth's sleep at all?

Wilfred Owen was born this day in Oswestry in 1893. He grew up in Birkenhead and Shrewsbury before taking up a post in 1911 as a lay assistant to the vicar of Bundsen, in Oxfordshire. A year before the outbreak of the First World War he was in the Pyrenees, employed as a tutor in a well-to-do French household and was thus able to delay his commission into the Manchester Regiment until September 1915. The presentment of death affected Owen powerfully and his war poems were written at great speed and with great concentration between January 1917 and his death in November 1918. "All a poet can do is warn," he wrote. "That is why the true Poets must be truthful. It sounds easy, but it is not easy to tell the truth in a poem, especially a truth from which the memory recoils."



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Lib Dems' conference: 'State morality' under fire

Stand by for an autumn poll, warns Ashdown

STEPHEN GOODWIN

Paddy Ashdown yesterday readied the Liberal Democrats for the possibility of an autumn general election, emphasising the party's distinct message and warning of a "new state-sponsored morality" under Labour.

Addressing his party's spring conference in Nottingham, Mr Ashdown said the new left's ideas on "reshaping Britain in the image of Singapore" started well but ended by telling people how to live their lives.

Emma Nicholson, the Tory MP who defected to the Lib Dems, was given a standing ovation after she mocked John Major as "completely at sea over Europe".

Turning the Prime Minister's "white coats" jibe at the Euro-sceptic Sir Richard Burt, Ms Nicholson said sometimes Mr Major wanted a slow lane Europe and sometimes a fast one. "On another occasion he wanted a Europe of variable geometry, whatever that is. Perhaps HE needs the men in white coats," she said.

The Prime Minister's vision of Europe was not determined by what was best for Britain but what was achievable within the constraints of the divisions within the Tory party, the MP for Torridge and West Devon said. "That's a real black hole."

The conference approved a

package of reforms to strengthen the democratic machinery of the European Union and endorsed Mr Ashdown's promise of a referendum should the inter-governmental conference propose constitutional change.

In a more radical move, the party dropped its commitment

to free education for all. By 516 votes to 302 members approved a policy under which students would pay back some of their maintenance costs. The state and employers would also contribute. Tuition would stay free.

Mr Ashdown increasingly believes Mr Major could opt for an autumn election. While yesterday's speech fell short of a full rallying cry it was intended to put the party on "general elec-

tion alert". He commended the notion of "self-reliant individuals", well-educated and with their freedoms guaranteed by a Bill of Rights, but underpinned by strong communities in a revived civic culture.

Attacking both the new right and new left, he said the former wanted to recreate the United States in Britain. But with US solutions came US problems of ghetto poverty for many and a citadel life-style for the few. "There are already too many signs in this country of widening social rifts and growing social tensions."

Meanwhile the new left wanted to create a new state-sponsored morality. To start with, the ideas were perfectly good, he said, community-based projects, residents helping older neighbours and the promotion of social cohesion. But it ended by telling people how to live and by limiting freedom of speech.

Mr Ashdown, a former Royal Marine, told a fringe meeting how a soldier to whom he owed his life had been forced to leave the services because he was gay.

Speaking at the launch of a Liberal Democrat Guarantee to Gays, Lesbians and Bisexuals, Mr Ashdown underlined the party's opposition to the ban on homosexuals in the armed forces.



Emma Nicholson: Standing ovation for Tory defector



Dance school: The Royal Ballet preparing for a tour of the provinces which starts in High Wycombe today and carries on to Sheffield, Bath and Blackpool. Jane Burn is pictured held aloft during rehearsals in west London of *Souvenir* by Christopher Wheeldon. Photograph: Laurie Lewis

Religious schools appeal for cash

JUDITH JUDD
Education Editor

Muslim, Christian and Jewish schools will tomorrow announce a new alliance to persuade politicians to provide them with state funding. The alliance, which also includes Steiner and small parent-run schools, is sending a pack presenting its case to all MPs.

The law already allows all schools to apply for state funding but none has so far been successful. Labour, which has held talks with the alliance, says it has no objection to Mus-

lim schools, provided that they follow the national curriculum. Gillian Sheppard, the Secretary of State for Education, has said it is only a matter of time before Muslims and similar groups have their own schools.

But the alliance, which involves more than 50 schools at present financed by fees, says that, in practice, their applications are always turned down. Its members believe a few Muslim and Christian fundamentalist schools have given the rest a bad name. The alliance schools say they want to separate themselves from those

which are not prepared to compromise.

They have agreed to open their doors to pupils of all faiths without trying to convert them. They have also promised to teach a broad and balanced curriculum. A document to be sent to all MPs says: "We believe that parents, children, and society will benefit from having a greater variety of schools in a sector that comes between state and private schools."

"For the new 'faith' schools there is an injustice in a system that funds Church of England, Roman Catholic and some

Methodist and Jewish schools from the public purse."

The alliance expects that 10 per cent of school places might eventually be provided by the new "third sector." A failing school in Birmingham, for instance, might be converted to house a Muslim school, a Steiner school, a Christian school, a school specialising in technology or music and a nursery and teachers' centre, as happens in New York.

Schools such as the Christian Oakhill school in Bristol and the Muslim Islamia School in Brent have been turned down for

state funding. Colin Hodgkins, the alliance co-ordinator and secretary, said: "I believe Muslims are being scapegoated: the satanic mantle that rested on communist shoulders is now being placed on Muslim shoulders. To prevent this happening would on its own be a good enough reason for supporting Muslim schools."

He said schools had been turned down for state funding because there were surplus places in nearby schools. "We do not accept that. If you are going to have choice, you have to have spare places."

Blair moves closer to electoral reform

JOHN RENTOUL
Political Correspondent

The odds have tilted sharply in favour of a change to Britain's voting system under a government led by Tony Blair, the *Independent* has learnt.

A senior Labour source has disclosed that the Labour leader is moving towards support for reform.

Mr Blair and Jack Straw, the shadow Home Secretary, have begun to discuss how to fulfil Labour's promise to hold a referendum on changing the way the House of Commons is elected. The source said that, by the time of a referendum, "it could be that Tony and Jack will support the Alternative Vote" - allowing voters to mark candidates in order of preference, instead of using an X, which

would give the Liberal Democrats more seats. "Much of the party could unite behind that," said the source.

The Labour leadership's early thinking is that the referendum should be held in the middle to late part of a first Parliament. It would be presented as the centrepiece of a "new politics", in which the people themselves decide how they are governed.

It is expected that the referendum would offer four options: keep the present first-past-the-post system; allow voters to mark candidates 1, 2, 3 and so on; or another variant of the Alternative Vote; the German system, which elects some MPs from regional lists so that parties overall get the same proportion of seats as votes; and the Irish system, which elects about

five MPs in each "super" constituency.

Until recently, Mr Blair and Mr Straw have opposed change. Their limited but dramatic shift follows the backing for the Alternative Vote by Mr Blair's closest adviser, Peter Mandelson, last month.

The Liberal Democrats and many Labour supporters of reform regard the Alternative Vote as little better than the present system, because it is not strictly proportional. But it could still make a dramatic difference. Research at the last election suggested that it would have deprived John Major of his majority, giving the Liberal Democrats 10 more seats, Labour one fewer and the Tories 11 fewer. The Scottish National Party would have gained three, and Plaid Cymru lost one.

Police on alert for football terror threat

Police are on alert for possible terrorist attacks on the European football championships in England this summer.

The security services of several countries whose national teams are taking part in Euro '96 have provided UK police with assessments of potential threats posed by terrorist groups based on the Continent.

Security chiefs fear the tournament could provide a platform for a group looking to make a political "statement".

They are mindful of the recent ending of the IRA ceasefire, but are just as concerned about the possibility of foreign groups targeting the event.

Qualifiers for June's tournament include Spain, plagued for years by the bombings and shootings of the Basque separatist group ETA, and France, which last summer was subjected to a murderous bombing campaign by the GIA fundamentalist group, which opposes the French government's support for the military junta in

its former colony of Algeria. Other qualifying countries with histories of terrorism or domestic turmoil include Croatia, Italy, Russia and Turkey.

Whitehall sources say the terrorist threat "pervades the whole thing". One source cautioned: "We cannot rule out the possibility that some terrorist groups would like to make some capital out of it. It's something the police have taken into account in their plans."

A working group made up of representatives from the police

forces of all 16 countries taking part has already met to discuss measures to counteract threats posed by terrorism as well as hooliganism.

Further meetings are planned before the tournament begins on 9 June.

The possibility of terrorist attacks will mean thorough searching of the venue stadiums before games and extensive searching of spectators.

But the primary defence will be intelligence reports provided by the security services

of the participating nations. Matches will be staged in Birmingham, Liverpool, Manchester, Nottingham, Sheffield, Leeds and Newcastle as well as London, where the final will be held on 30 June.

Plans to combat the hooligan threat are well advanced, with a key role reserved for "spotters" - foreign officers travelling with their country's supporters to point out troublemakers to police. Known hooligans may be refused entry at ports by immigration officers.

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Bridge plan for Thames alarms the green lobby

CHRISTIAN WOLMAR
Transport Correspondent

Plans to build a new road crossing for the Thames in east London, are being revived in a move certain to provoke the kind of environmental objections which led to the idea being shelved three years ago.

The Government Office for London, along with the London Docklands Development Corporation and Thamesmead Town, are studying plans for a new bridge along the same route as the crossing that was scrapped because of controversy over its destruction of a historic woodland. The proposed bridge is called Gallion's Reach to differentiate it from its controversial predecessor.

Although the scheme is likely to be less controversial than its predecessor, campaigners are already gearing up to oppose it. John Stewart of Allam, the anti-roads group, said: "They are trying to push this through quickly but we need more public consultation. The crossing will simply generate more traffic."

A consultants' report commissioned by the LDDC on the feasibility of the scheme is due to be finalised this month and it is expected to be endorsed by the Government when it publishes its integrated transport strategy for London in the summer.



Labour in court clash over selection system

BARRIE CLEMENT

Labour is in danger of descending into the kind of "sleazy" politics associated with the Government, according to one of the party's largest and most loyal affiliates.

The warning comes ahead of a hearing in the High Court today in which senior Labour figures clash over alleged ballot irregularities in the selection of a parliamentary candidate for Swindon North.

Davy Hall, president of the Amalgamated Engineering and Electrical Union, said: "If New Labour is to create a reputation for open government and sleaze-free politics, then it must start with first principles. The system for selecting candidates must be democratic and seen to be foolproof."

In today's adjourned hearing an affidavit will be presented by Tom Sawyer, Labour's general secretary, defending the leadership's refusal to re-run the Swindon ballot. He will strongly endorse instead a plan to select the candidate through a panel of the National Executive.

In a contradictory deposition, John Evans, a former party chairman, will argue for a re-run of the vote in which Jim D'Avila, the candidate backed by the AEEU, lost to Michael Willis, a television producer and friend of senior party figures.

Farming and French huntsmen take toll of thrush

Heritage of the wild

NICHOLAS SCHOON
Environment Correspondent

The song thrush is one of Britain's most common birds, with well over a million breeding in the country. So why is it on a list of 116 plant and animal species for which the Government and conservation groups have jointly proposed rescue plans?

Because it is in rapid decline and is also one of the best-loved really common birds, with its handsome colouration and attractive, elaborate song. It is quite usual for a song thrush to have more than 100 different song phrases. Over the past 20 years its numbers in woodland areas have fallen by half, and by almost three-quarters in farmland.

There is no shortage of hypotheses for why this should be, but not much in the way of established facts. Huge changes in farming are implicated. The



Song thrush and chicks: Over the past 20 years numbers in farmland have more than halved. Photograph: Planet Earth

wholesale switch from spring to autumn sowing of cereal crops may have deprived the song thrush of an important food

source in spring, when the ploughing brought the small, invertebrate animals it eats to the surface.

Growing use of molluscicides - pesticides which kill slugs and snails - may have curbed its food supply. The

shrinking length of hedgerows may have reduced nesting and feeding areas. Some thrushes migrate from France to Britain

to breed, and it may be that French huntsmen are shooting large numbers of these. Magpies, foxes and cats may be eating the song thrushes' eggs and chicks in the nest.

The rescue plan, drawn up by a committee of civil servants, government wildlife scientists, conservation groups and landowning interests, has the objective of halting the decline in song thrush numbers by 2000.

But it is vague about how this can be achieved because the causes are not fully understood. One proposal is to press for the European Union to ban French hunters shooting them.

The plan says that much research is needed into how the bird feeds, moves around and rears its young.

The Royal Society for the Protection of Birds is carrying out a detailed three-year study, looking at one area in West Sussex where the bird is holding its own and another in Essex where there has been a marked decline. The cost of the rescue plan, including this research, is put at up to £124,000 a year.

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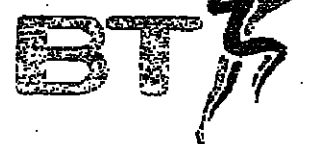
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Upbeat Juppé tells France to smile

MARY DEJEVSKY
Paris

What the French need to make them feel happier about their government, the prime minister, Alain Juppé, has decided, is some determined fostering of the "feelgood factor". And this - during an hour-long television interview last night and a baby-kissing, flesh-pressing visit to the northern port of Caen on Friday - is what he is proposing to offer from now on.

There is a certain irony in Mr Juppé's attempt at a new, upbeat style. For it was the taut and dogmatic manner he espoused during the first eight months of his prime minister-ship that did so much to encourage a "feel-bad" factor - much of it directed towards him. That public antipathy is undiminished. The latest opinion poll shows him languishing low in the politicians' popularity

chart, with only a 27 per cent approval rating (two points down on a month ago).

At the end of last week, however, Mr Juppé felt that it was time to take the initiative, whatever the polls said. On Thursday evening, before they all departed for their constituencies, he called his ministers together for a government "seminar". The meeting was followed by a feast of the southern fish stew, bouillabaisse, donated by the urban affairs minister and mayor of Marseilles, Jean-Claude Gaudin.

According to reports of the meeting, Mr Juppé made clear that he was in for the long haul and outlined a legislative programme to run up to the parliamentary elections in 1998. The chief elements of the programme were the completion of the controversial welfare reforms (in their curtailed form), legislating for the defence

industry and armed forces changes heralded by President Chirac last month, and the much-heralded - but so far stalled - education reform.

Mr Juppé also instructed his ministers to get out into the country and understand the concerns of voters. "You know your constituencies; you should be plugged into the everyday life of French people," he said. Summed up by the justice minister and number two in the government, the main objective was to give people a "better sense of well-being" - in other words, a feelgood factor.

While some ministers might have felt that Mr Juppé was not best qualified to preach about getting out and about and understanding real life, let alone disseminating the feelgood factor, they will have grasped the underlying message without difficulty. After a chequered 10 months in office, the prime

minister no longer feels his job is on the line; he is planning for the future and can abandon his hang-dog diffidence.

Last night, Mr Juppé shared the good news - bumping the former Socialist prime minister, Michel Rocard, off the peak-time political programme to do so. "Winter is over and spring is on its way - for our policies ... and for the French people."

Mr Juppé's revival is the culmination of several weeks in which - with a few notable exceptions, such as Edouard Balladur - influential Gaullists and centre-right politicians have competed with each other to offer him their support. Pro-government political commentators have also tried to talk up the prime minister: he may not be popular now, said a *Figaro* editorial, but in a few months time, he may be widely praised for his persistence, single-mindedness and rigour.



German police clash near the Dutch border with Kurdish demonstrators who were attempting to attend a banned demonstration in Dortmund on Saturday. Hundreds of protesters were arrested in a weekend of violence. Photograph: AFP

PARIS DAYS

Pampered pets rewrite rules on a dog's life

After months of observation, I have come to the unpatriotic conclusion that France has a better class of dog, and Parisian dogs are the *crème de la crème*. Not in the sense of breeding necessarily, but in the sense of style and general demeanour.

Parisians do not resemble their dogs so much as choose them to be an extension of themselves, an image accessory to be seen and taken everywhere. And when I say everywhere, we are not just talking food shops, carpet showrooms and other such places where they would not be welcome in Britain, but serious restaurants, and the Métro.

For despite a highly official notice in every carriage, quoting chapter and verse of the Paris by-law that denies access to animals and beggars, both are readily carried - and the animals are greeted like small heroes, with much fussing and smiling. It has to be said that the by-law allows exceptions where animals are concerned. Domestic pets, it says, may travel if they are "very small" and "carried in a bag or basket that can be closed". Experience suggests, however, that "very small" is a concept of considerable elasticity, and that a bag or basket is not quite as obligatory as the law implies.

Access, though, is not what sets the Paris dog apart so much as grooming. From miniature poodle to collie, they look to a dog as though they have just come from a particularly rigorous session of wash-and-blow-drying at the hairdresser's - promenading like showdogs and basking in the friendly and admiring glances they attract from two-legged passers-by.

This aura of fondness that surrounds French dogs suggests that the defendants in a court shortly will attract particular sympathy. A shoe company is trying to dismiss the manager of one of its shops - for having his dog on the premises in violation of the contract. The manager says it was necessary to take the dog to work because neighbours complained about it howling.

Soon afterwards, however, an inspector on a routine visit

chanced upon the animal. "We didn't let him into the shop area at all," said the manager. "He stayed in the office." But this was not good enough for the company which instituted proceedings. If the shoe company wins, many other shopkeepers will fear for their licences.

Cats are not as visible in Paris as in London, but appearances are deceptive. Of Europeans, only Belgians keep more cats than the French (one in four households keeps a cat, one in three has a dog). The chic cats of Paris, unlike the chic dogs, however, seem to be kept off the streets. Perhaps it is so that they don't come into contact with the sort of skanky felines that roam the higher reaches of Montmartre.

There are plenty of cats out there though, and a pretty sophisticated market they comprise, if the legion of cat-directed advertising is anything to go by. A recent arrival on the Paris hoardings shows a large white Persian with suitably supercilious expression, looking critically at a can of catfood. The caption reads: "Twenty-nine flavours? Why aren't there 30?"

And a postscript. A few weeks ago, I bought an umbrella with a handle in the shape of a duck's head in the hope that this would encourage me not to lose it. Alas, at the end of a morning which began with a blizzard and ended in bright sunshine, I left it on a bus. A week later, at the public transport lost property office, I filled in a retrieval slip on the off-chance the umbrella had been handed in.

The girl at the counter sounded optimistic. A few minutes later the depository sent up an umbrella. But it wasn't mine: the right colour, but no duck. The girl was furious and told the lad who brought it: "I told you, it has to have a duck. Don't worry too much about the number, bring back one with a duck."

Another few minutes, and my umbrella appeared. So it was worth getting a duck-headed one after all. Even if I don't look after it properly, the honorary animal status of ducks guarantees that the French will.

Mary Dejevsky

Paris wants personal stereos to be muffled

Paris - France is set to pass legislation that will limit the maximum volume of personal cassette players to 100 decibels, writes Mary Dejevsky.

The measure is being introduced on health grounds, after medical evidence showed that listening to loud music through earphones was producing "a generation of deaf people".

Many personal stereos sold in France have a maximum volume of 125 decibels, equivalent, scientists say, to the sound of an aeroplane engine at a few metres, and over 40 decibels more than permitted by France's laws on health and safety at work.

The maximum volume permitted in Japan, where 90 per cent of the personal stereos sold in France are made, is 105 decibels, but there is no regulation on those made for export. The restriction was tabled by

Jean-Pierre Cave - an MP who is also an ear, nose and throat surgeon - and was framed as a health and safety Bill already going through parliament.

Among the evidence he cited was a 1993 report conducted by a Paris hospital which showed that 20 per cent of final-year school pupils had a 20 decibel diminution in their hearing, compared with 9 per cent a decade before. Deafness is one of the most common reasons for young men being found unfit for military service.

Mr Cave's amendment, which was passed unanimously, also provides for a health warning on Walkmans saying that "prolonged listening at full volume may damage your hearing". The Bill still has to be voted through the senate before it becomes law.



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Life and death: the line gets finer

Nightmares do not come much worse than this: lying in a hospital bed, you hear relatives agonising over whether to let you die; you try to cry out, but you cannot speak or move. Yet over the past few weeks evidence has emerged that raises the possibility that the nightmare, for some, is already a reality.

Despite years spent apparently oblivious to the world, several brain-damaged patients have managed to start communicating. A former businessman is responding to hospital staff after seven years diagnosed in the same "Persistent Vegetative State" (PVS) as the Hillsborough victim Tony Bland. Meanwhile, the musician Geoffrey Wildsmith has managed to tap out a message for police with his little finger, two years after attackers put him in a coma. The British Medical Association was right to announce this weekend that it would be reviewing its guidelines on PVS, as these latest cases reveal them to be woefully inadequate.

Tony Bland was diagnosed as PVS: awake but unaware of himself or of the world around him. In the words of Lord Justice Hoffman, "The stark reality is that Anthony Bland is not living a life at all." Facing up to the difficult fact that medical science allows us to keep people alive after meaningful life is gone, the courts agreed to allow artificial feeding to be stopped and permit Tony Bland to die. Doctors can now ask the courts to do the

same for any patient suffering PVS for more than a year.

The principle that people should be allowed to die in such cases remains unquestioned. In practice, however, it is hard to be sure of anything about the human brain. Doctors already distinguish between PVS and "locked-in syndrome". Unlike the PVS patients, those with locked-in syndrome are conscious of the world around them, but they are unable to register their consciousness by communicating with anyone else. As yet there is no physiological test to separate the two conditions. Work with specialists may enable them to respond through eye movements and codes, but they are easily misdiagnosed.

Research at the Royal Hospital for Neurodisability in Putney suggests that PVS patients may have a greater chance of recovery than previously thought. Be under no illusion, "recovery" from severe brain damage can mean no more than responding to simple sounds. But so long as people have the chance to regain consciousness and participate in decisions about their lives, the state cannot allow them to die. While we know so little about the brain, and while we have so much scope for making mistakes, we must proceed with caution and humility. The brain dead should not be condemned by law to life, but while there is any doubt about their condition, they must be kept alive.

Keep China in check

The United States must stand firm in the face of China's growing belligerence towards Taiwan. More military exercises are to be held close to Taiwan this week, ahead of next weekend's presidential elections. Yesterday Li Peng, the Chinese premier, warned Washington not to send its navy into the Taiwan Straits. Ironically, far from forcing the US to withdraw, the Chinese intimidation of Taiwan only underscores how vital the US is to maintaining a peaceful balance of power in the region.

South-east Asia's economic growth is also giving rise to an arms race in which economically successful but often authoritarian regimes are competing for power and status. China, which will soon be economically and militarily the dominant force in the region, is perhaps the most alarming example of that trend. The region does not have institutions equivalent to Nato or the European Union to underpin regional security. Instead, it

relies upon a criss-crossing set of bilateral treaties. France and Britain play minor roles. It is the United States that pulls all the threads together.

In that role, it is vital the US should not escalate the tension. Indeed, its intervention, by sending the aircraft carrier USS *Nimitz* to the area may have already achieved that, by deflecting China's anger. Li Peng yesterday directed his warnings at the US, while adopting a more conciliatory tone towards Taiwan itself.

Washington must not allow China to intimidate Taiwan at will, for that would signal to the other states in the region that they too might become vulnerable to Chinese aggression and may not be able to count on the support of the United States. The best way to do that is to calmly and openly tell the Chinese leadership when and where the *Nimitz* will sail and to make clear it will pass through the international waters of the straits.

Sri Lanka: a small wonder

Sri Lanka yesterday struck a blow for all small nations by proving the size is not an obstacle when a country sets out to be world class in a highly competitive field. It was not just that Sri Lanka managed to win the cricket World Cup, beating Australia by a handsome margin, it was the confident stroke-playing style in which they did it that was so uplifting.

Sri Lanka has had a long uphill struggle. When the first World Cup was played in 1975, Sri Lanka were minnows. They only had full Test status conferred upon them in 1981. Prior to the start of the tournament, a massive bomb in Colombo led Australia and the West Indies to withdraw from their games in Sri Lanka.

So what is Sri Lanka's secret, that it can take on any side in the world at one-day cricket and expect to come out on top?

It does not have a special cricket academy of the Australian kind, which the English are about to emulate. Judging by

the ample girths of players such as Aravinda de Silva, intensive training at la Graham Gooch doesn't play much of a role. The administrators of the game are not geniuses; the internal bickering in Sri Lanka cricket makes Yorkshire's internecine wars seem tame.

There seem to be three lessons from Sri Lanka's success. The first is that the Sri Lankan's have always thought big about their cricket. They wanted Ian Botham as their coach and when they couldn't get him they appointed an international class coach in the shape of the Australian Dave Wharmore. The second is that they play with confidence and passion, instilled in them by inspiring leaders like their captain, Arjuna Ranatunga. And the third and final ingredient is the sheer style and power of their batting. They suffer none of England's inhibitions, they do not hold back, they go for it. Their win was great for cricket and for underdogs everywhere.

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MILES KINGSTON

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LETTERS TO THE EDITOR

Europe must pull together against the Pacific Tigers

Sir: Your leading article on the Government's White Paper on European Union ("A Europe we might warm to", 13 March) misses the point. The true purpose of European integration today - whatever motivations lay behind its development in previous decades - has to be to enhance the competitive positioning of European businesses and markets.

Seen in the context of the very real threats emerging, sector by sector, from virtually every part of the globe, all this nipping-over institutional reform is absurd: so much fiddling while the Treaty of Rome burns.

Imagine the world in 20 years' time. Consider the likely vitality of the Chinese economy, the hi-tech innovations that will still be pouring from the Far Eastern Tigers, the range of investment options that will be globally available to Japanese and American capital, the ambitions for international success in the parvenu economies of Brazil and Argentina. Then ask whether we will really look back affectionately on the years when we decided it was better, after all, not to accelerate the integration of our European markets and institutions.

The forthcoming Inter-Governmental Conference has to be an opportunity to provide real leadership to public opinion about why a more deeply integrated Europe sharing a strong sense of collective destiny in the modern world is essential to our prospects for growth and jobs. To argue for "A Europe governed by variable geometry" which would allegedly "fit better a world in which power is diffused, roles overlap and responsibilities are shared" is to argue for a cop-out.

A Europe which suits all our national neuroses, which sends us down into the small print rather than out into the big picture and which elevates all the destructive solipsisms of "national sovereignty" is a Europe which will keep bureaucrats busy but, in the long run, no one else. Sooner or later, the cruel reality of globalisation will force Europe to embrace tighter integration, sharper economies of scale and faster decision-making: if it doesn't, it will make us pay a terrible economic and social price.

JAMES MURPHY
Associate Director
The Henley Centre
London EC4

Sir: Robin Teverson MEP (Letters, 8 March) suggests that there is an easy way to deal with quota-hoppers now, simply by requiring them to land 50 per cent of their catch in the UK in addition to requiring them to comply with the visiting condition of their fishing licences. Would that it were that simple.

A requirement of this kind aimed specifically at quota-hoppers would be discriminatory and, I am advised, would run counter to previous rulings of the European Court of Justice. However, the current situation in which foreign-owned, foreign-skipped vessels land fish covered by UK quota abroad cannot be allowed to continue. That is why I am determined that in the Inter-Governmental Conference the UK will seek changes to help to ensure that economic benefits from each member state's allocated fish quota share accrue to their own fishing communities, not those of other member states.

TONY BALDWIN, MP
Minister of State
Ministry of Agriculture
Fisheries and Food
London SW1

Sir: The White Paper on the IGC says most of the Government's aims do not depend on treaty change, but the development of better policies, such as those on agriculture.

How is it possible to achieve a better agricultural policy when the objectives on which it is based are 40 years out of date and when there is no provision for the European Parliament to influence either the farm budget or the policies it is spent on? If anything needs treaty change, agriculture does.

TERRY WYNN, MEP
(Merseyside E and Wigan, Lab)
Strasbourg

Sir: The European Commission is planning to make available 17m ecu to enable member countries to inform their electorates about the single currency. The European Commission in London will not be able to use any funds allocated to the UK for this purpose, because it is felt this would be counterproductive. Now the Government is moving towards holding a referendum, whilst denying us the opportunity of understanding the issues.

SIR HAROLD ATCHERLEY
Long Melford, Suffolk

Blacks kept out of the top jobs

Sir: British democracy cannot seriously address the black community's high unemployment, poor housing, and low academic achievement (report, 15 March), until it is representative of society. There are only six black MPs out of a total of 651, no black High Court judges, and only two black civil servants out of 805 in the highest Civil Service grades.

LEE JASPER
Acting Director
1990 Trust
SIMON WOOLLEY
Ethnic Minorities Co-ordinator
Charter 88
London EC1

The pass has already been sold at Auschwitz

Sir: Reports ("This is the man who planned to open a supermarket at Auschwitz", 13 March) on the development of a supermarket in factory buildings opposite the main entrance to the site of the concentration/death camp at Auschwitz have understandably raised concerns for those who do not know the landscapes of the camp and its environs.

This development would be offensive if the whole of the SS complex of camps had been preserved at liberation in 1945. From the very outset, however, the landscape has been altered. At Birkenau (the death camp for the extermination of Jews and gypsies) many of the wooden barracks were shipped off to provide temporary housing for Warsaw's homeless. At the Auschwitz main camp the SS housing was occupied by the local Polish population, the prisoner reception building became the museum visitor reception area with refreshment facilities, bookstall, cinema and a hotel.

All of this was done without explanation to the visitor so it is no wonder inappropriate behaviour sometimes occurs: visitors are not guided to understand when they cross the divide between the secular world and this more sacred space.

Since the fall of Communism this has been exacerbated by entrepreneurial ventures: hot dogs and ice cream can be purchased by the main entrance. Booksellers now almost crowd up to the *Arbeit macht frei* gate.

So what's new about this supermarket? The pass has already been sold. The tragedy is that the whole thing is being played out as a slanging match between Jews and Poles, which will perpetuate Auschwitz as a site of contestation rather than reconciliation.

ANDREW CHARLESWORTH
Reader in Human Geography
Cheltenham and Gloucester
College of Higher Education
Cheltenham

Overeating is not a disease

Sir: A characteristic of late 20th century Britain is the attempt to shrug off personal responsibility for any problem by labelling it a disease or syndrome. Professor James (report, 13 March) has jumped on the bandwagon by blaming obesity on "chemistry". There is a small nucleus of unfortunate patients with pathological obesity, and they deserve our sympathy and help. But 54 per cent of men and 45 per cent of

women in the UK are overweight - are they all sick? This "epidemic" has developed with affluence. Ordinary people call it "overindulgence", the unkind call it "greed" - but a disease it is not. Let us channel our precious resources into looking after those who are ill rather than those who overeat.

HUGH J THOMSON
Consultant Surgeon
Heartlands Hospital
Birmingham

Tory case for PR

Sir: Your report (14 March) the Conservative Party chairman saying: "Even in 1983 and 1987, when we won landslide victories, a good 58 per cent of those who voted supported other parties. So we do not need to win everyone - or even most people - in order to win." Thank you, Dr Mawhinney, for expressing so cogently the case for proportional representation.

C W GILLAM
Eastbourne, East Sussex

My stolen railway

Sir: Why do people hate the former nationalised industries (report, 13 March)? I feel that they have been stolen from me. I do not feel happy at seeing "Stagecoach" on the side of a train which used to be mine. Recently someone tried to sell me Railtrack on Waterloo station. I felt as if I had met a fence trying to sell me my own goods after burgling my house.

E G MATTHEWS
Wimborne, Dorset

Caring architects need inspiration of a caring society

Sir: Please do not blame young architects for failing to design homes ("All style and no conscience", 11 March). As is stated in the article "architects' interests are dictated by the nature of the commissions available to them". A few may be employed to create museums etc, but too many

architects have been thrown on the dole queue or are barely scraping a living from designing minor house alterations for the few people who can afford them. Instead you should blame a society that has allowed itself to be duped into believing that money-making is more important

Dunblane: club leaders must be vetted

Sir: As a youth club and Sunday school leader in a local church, and a father of three young children, I joined in the utter disbelief after the tragic events in Dunblane. I can only pray and hope that God will give comfort to those who have been left with such grief.

I have been able to lead and teach children in the five to 15 age-group with very little vetting or checks on anything I may have done in the past. I feel I am competent and doing a good job, but who am I to say?

It is imperative that a national system of vetting be inaugurated for anyone wishing to work with children of any age. Such people should be prepared to undergo police and local authority checks. No one should be allowed to run a club on his own, as Hamilton apparently was.

D W LAMPARD
Sheffield

Sir: Nearly twenty years ago I wrote a book about firearms which has gone through several reprints, and as the father of five I regret it, praying that it hasn't fuelled the dreams of maniacs. The horror of Dunblane once again makes it clear that the licensing of pistols to individuals sanctions the carrying of concealed weapons without justification, since pistols can only legally be fired at a club, which should be made responsible for holding them securely.

There is no justification for the manufacture and marketing of civilian magnum pistols. No right-minded target-shooter needs the man in the position next to him causing ear-splitting explosions which he can feel through the soles of his feet, simply to mark a target a few yards away. Granting licences for such weapons is on a par with allowing racing cars on the road.

N DU QUESNE BIRD
Bath

Sir: Those who call for changes to the gun laws in the wake of the horror at Dunblane should know that the same questions were considered at great length after Hungerford. David Sawers (Letters, 15 March) is naive to assume that a law banning the removal of guns from clubs would have made any difference to Thomas Hamilton. Hamilton was breaking the law the moment he loaded his guns and left his home. As for liability, Ryan and Hamilton both killed themselves after committing their atrocities. Should others pay for the act of a madman?

Unfortunately the means open to someone determined to kill indiscriminately are legion. What about the many hundreds of thousands of illegal guns and knives that are already in circulation? You cannot legislate against the decision of an individual to commit an atrocity. There is no panacea. Let us await the outcome of Lord Cullen's inquiry.

PHILIP NOWAK
Sayers Common, West Sussex

comment

Making some sense of our world

National Science Week isn't just some celebration fit for anoraks - it's for everyone, says Tom Wilkie

Dr Watson was once deeply shocked to discover that Sherlock Holmes did not know that the earth went round the sun. Nor did he care. A master of contemporary forensic chemistry, Holmes told Watson that astronomy was simply not useful knowledge for him. That dismissive judgement by Britain's greatest fictional detective comes into the hard focus of reality this week now that Britain's third national festival of science, engineering and technology - SET '96 - is in full swing.

From trips to the labs behind the showcases at the Natural History Museum in London to late night table-top demonstrations of science at the Innomedia Cafe in Glasgow, more than 5,000 events are being held around the country.

And yet, there are questions. One of the most basic is why should anyone who is not intending to become a scientist actually get interested?

In his lectures on the two cultures, CP Snow set the second law of thermodynamics as his criterion for scientific literacy. But it is rather difficult to see how knowing that the entropy of the universe increases (which is one formulation of the second law) really helps with defrosting the fridge. Personally, having been trained as a physicist, I was once able to solve James Clerk Maxwell's equations for the propagation of electromagnetic waves - which is how radio and television are transmitted to my home -

but I cannot programme the video recorder. I knew the theory of electron transport in semiconductors, but it doesn't help me with the intricacies of wordprocessing on Microsoft Word - even though my computer depends on semiconductors for its operation.

Functional literacy in technical society does not depend on a knowledge of scientific facts. Nor does living in the modern world depend on what might be called a scientific attitude of mind. We live in a society founded on division of labour and, outside the laboratory, the scientist's disciplined curiosity is a positive hindrance to the smooth running of our lives.

For example, none of the distinguished academic scientists who from time to time take the train from Oxford to London would expect to have the right first to tap the wheels of the train to verify their integrity. Even in matters of life and death, we subcontract our fate to others.

It is probably not possible even in principle for any one individual to understand all the science and technology that go into making a transatlantic plane flight possible and safe. To do so would require enough metalurgy to understand the alloys used in modern airframes, a knowledge of modern jet engines, the electronics of the control and navigation equipment and of the software involved in the air traffic control system which guides aeroplanes. No one individual could possibly comprehend all that.

In fact, the most important questions about the safety of aeroplanes are social, not scientific. The laws of aerodynamics apply equally to aircraft belonging to Lufthansa or to Aeroflot. Yet Lufthansa's planes have not fallen from the sky with the disconcerting frequency of those belonging to the former Soviet Union's airline. The outcome is different although the science is the same; what differed was the social institutions to ensure engineering quality and the "safety culture" of

Science tells us that our world is not all arbitrary and chaotic

the German civil aviation industry and that of the Soviet Union.

When a train crashes on the west coast mainline near Stafford, we do not worry that the laws of physics might have broken down. Instead, our response is social, we worry that privatisation might be weakening safety standards and we seek to examine the procedures in place at Railtrack.

What, then, is science, and national science week, for? The conventional answer is a utilitarian one. Only those who understand science, it is argued, will be able to cope with the world

around them in the 21st century because that will be a world totally dominated by the products of science.

And yet, last week, representatives of the Save British Science Society pointed out that British industry clearly does not want science or scientists. For UK companies' investment in science to match that of our more successful competitors, they would need to recruit at least 70,000 more scientists and engineers. If SET '96 enthralls children so much that they decide to make a career in science, they will soon find themselves jobless.

That said, there are good reasons why people should take an intelligent interest in science. One is to make sure that we are in control of what science does. There can hardly be anyone who has not directly or indirectly been affected by the discovery in the late Thirties of atomic fission. This seemingly obscure branch of applied quantum mechanics led both to the atomic and the hydrogen bombs that have dominated post-war politics and cast long shadows of fear over our lives.

As the century draws to its end, there is another scientific development that promises to touch our lives more nearly and more intimately: the startling advances in molecular genetics. These developments have already given rise to genetically engineered food on our supermarket shelves; human beings undergoing gene therapy to correct inborn defects, not to mention moral disquiet over the "cloning" of sheep.

Properly understood, these developments bring, in the words of the late, great medical researcher Sir Peter Medawar, "the Hope of Progress". But scientific knowledge, like the sword of justice, has a double edge: it can be used for ill as well as for good. We need to understand not so much the scientific details of, say, sheep cloning, but the broader question of how scientific discoveries come into our lives and how from among the options for the future we can choose the ones we feel will be beneficial.

Perhaps the best reason for non-specialists to try to understand science is a cultural one without any pragmatic value. It is simply that science provides a profoundly satisfying way of looking at and making sense of the world in which we live. It tells us that we can make some sense of the world, that it is not all arbitrary and chaotic. The astonishing thing is not that we know so little but that we can make so much sense of the universe.

For example, there has been life on earth for about 3.5 billion years. Throughout all that time, its growth and its development has been directed by the double helix molecule of DNA and by its close chemical relative RNA. Amid all the diversity of life on earth past and present, we are the first creatures in existence to be aware of the existence, structure and function of this thin filament of life.

This week, that is indeed something to celebrate.

It's much nicer over here

Tory defector Emma Nicholson encourages Peter Temple-Morris, under attack from the right

My dear Peter. You have my sympathies. Having the entire weight of the Conservative Party heavy squad breathing down your neck is a most tedious experience - I can vouch for that.

First of all, you had to put up with that extraordinary editorial in the *Telegraph*, on your birthday, of all days. You were, claimed the editorial, "so far removed from the party consensus on Northern Ireland" that you were no longer fit to sit in the Conservative and Unionist interest. Your constituency would apparently be wise to be rid of you.

Then at the weekend, the *Telegraph* made you sound like a convert to the Labour Party with a front-page piece about comments you are said to have made to a Dublin newspaper. Someone is clearly gunning for you.

I know that experience well. I, too, was lambasted many times by the *Telegraph*, most cruelly, in particular, over my voice, which is a feature of my hearing loss.

Expect now, when you enter the tea rooms and bars of the House of Commons, for conversations between MPs you once knew as colleagues and even tried to help to stop abruptly. The eyes that glare back in your direction will be cold and accusing. Be ready for the telephone calls to your local constituency party urging them to "take you in hand", and for the nasty stories questioning your sanity and motive. You will hear yourself described as disloyal and self-seeking. Your views will be termed "off the wall", "barmy", and "eccentric". And, perhaps worst of all, you will have your personal and family life scrutinised by journalists desperate to link your name to some mindless sensationalism on false stories created and assiduously circulated by the *Whip's Office*.

Why? Because you have dared to speak up for what you believe in. You have lifted your head above the mob rule which is the present Conservative Parliamentary Party at play and shown that for you, matters of principle and intellectual integrity are more important than the desperate need to be "one of us".

I can only guess that your views on Ireland, Europe and the economy will be extremely unpopular with some quarters of the Conservative Party. On Ireland, in particular, your courageous stance in trying to understand nationalist opinion causes consternation among right-wing colleagues, who

would rather stick with their own die-hard opinions. Likewise, your championing of a constructive engagement with Europe and your life-long commitment to One-Nation Toryism sends the right into a lather. Add the fact that you were - like me - a supporter of Michael Heseltine in the 1990 leadership contest. These things are never forgotten.

It is shameful that suddenly views you have held for many years are being used against you to diminish your standing in the party that you have served so well. It is symptomatic of the general malaise of the entire Conservative movement. The Government's desperate at-

tempt to cling on to power has bred a bunker mentality, with anyone who deviates from the party line being rooted out with a McCarthyite zeal.

Debate has been stifled and the views of the Macleod wing of the party, which you now lead, have been ignored and lambasted. As a result, the party has retreated into a right-wing shell. On Europe xenophobia has triumphed over progress.

The Government's recent IGC White Paper showed that it has dispensed with our need to be at the heart of the European Union, influencing its direction and getting the best out of it for each British citizen. We will instead limp along behind France, Germany and the rest of our European neighbours until the General Election.

You are a man of the high principles which used to characterise so many earlier MPs of a bygone Conservative age. That mantle has now passed on to Liberal Democrats and to the New Labour thinkers. The integrity, the high ideals, the political cleanliness are now on the benches opposite to where you sit. You have chosen to stay where you are and I respect your decision. But remember that the critical mass of liberal thought, which once also flourished in the Tory party, is now almost exclusively found in the Liberal Democrats and our nearest political neighbours.

Yours, Emma. The writer is Liberal Democrat MP for Devon West and Torridge.

You can't kill book worms

The crash of the Net Book Agreement was not, as predicted, a catastrophe for British literature

POLLY TOYNBEE

The London International Bookfair today displays stalls from a thousand companies at Olympia. Some 19,000 visitors in the groves of literature gather in a great crescendo of cables, caucuses and cartels to trade in rights between agents and publishers, wholesalers, retailers and distributors.

But something is missing. Where are the weeping, the wailing and the gnashing of literary teeth? Where is the blood of authors washing down the aisles? Where the whitened bones of small local booksellers?

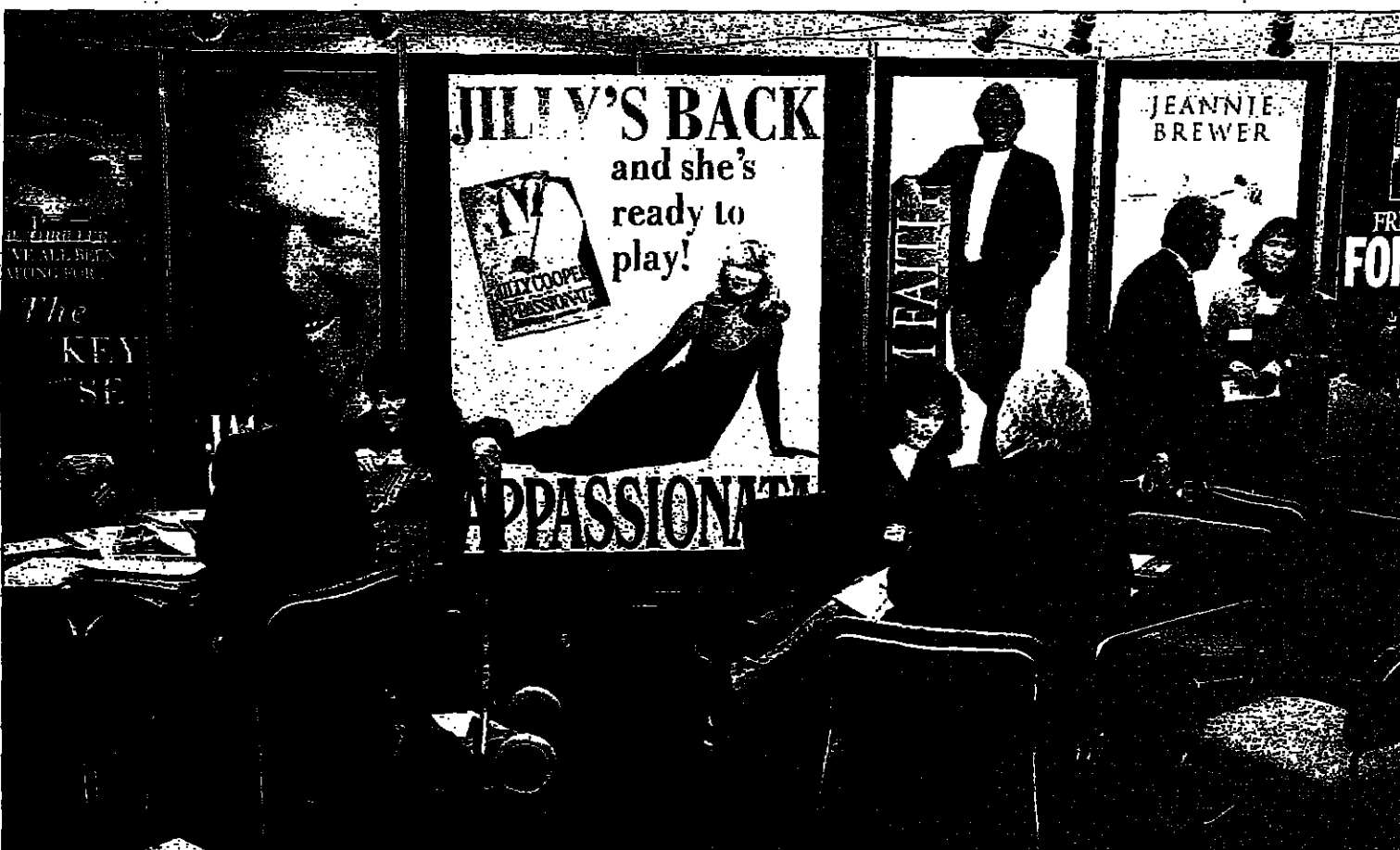
When the Net Book Agreement came crashing down last September, the prophets of doom in the book trade told us that this was the end of literate civilisation as we know it. The NBA was the 95-year-old price-fixing system which kept book prices artificially high, in the belief that only by making popular books too expensive could you pay for the publication of unpopular works.

Supporters of the NBA forecast that first novels were doomed, publishers' lists would be cut back savagely, authors would be shed, advances slashed, small booksellers would go to the wall, big booksellers would stock nothing but Andy Macnab and Danielle Steele. But it didn't happen.

Meanwhile, abolitionists said that destroying the NBA would herald a new literary dawn where all kinds of people who couldn't afford books would suddenly find they could. More books would be sold and read by more people through the big chains and supermarkets, so a new boom in reading and book-selling would follow. That didn't happen either.

Most publishers wanted to keep the old NBA, but some broke ranks. The dam burst when WH Smith led the way, and all the others tumbled in behind.

The battle over the NBA was a classic war between free-market and protectionist ideas. But it presented serious problems for many on the right, forcing them to turn intellectual somersaults. By gut instinct they were all for free trade and letting the market rip. Andrew Neil, billed in the *Daily Mail* as "The Voice of Conservatism", was typical of the raucous right: "This conspiracy allowed publishers to make us pay more for books we wanted to read, while they subsidised, with our money, the publication of books that gave them kudos among the chattering classes - but which nobody, bar a few of the literati in Hampstead, wanted to read."



The London International Bookfair at Olympia this week: no weeping here, no wailing, no gnashing of teeth

Photograph: Edward Sykes

This was the philistine view - the know-nothing, one-book-is-as-good-as-another line from the sort of people the Tory snobs refer to as the "garagistes". But the more erudite, effete and literary right (some of whom live in Hampstead) are, by instinct, cultural elitists themselves. They are also cultural doomsters, bewailing the ignorance of the masses, and, even worse, the lamentable lacuna in the intellectual apparatus of the modern so-called educated class. How they mourn the passing of the days when any educated man (yes, always man) could pick up Ovid or Catullus with the same ease as he might read Goethe in the original, or browse through the latest more recondite offering from the Oxford University Press. It is hard to square such concern with a free market in books that is expected to let low literature swamp everything else.

When the NBA spontaneously combusted, there was panic as hundreds of books were discounted. The falling price of a Delia Smith was quoted on the books' market like the value of the Deutschmark. Small booksellers thought it would be their last pre-Christmas rush. Where would it end?

Oddly enough, neither the protectionists nor the free-marketisers were right. The book trade has proved to have rules of its own, impervious to the more brutal market forces - at least so far. Books, it seems, really are different. Book sales everywhere went up by 25 per cent, then went down. Now they are almost exactly at their previous level - and very few books are currently discounted. The Booksellers' Association reports no losses among its 3,300 bookshop membership. Somewhat sheepishly, it says: "We fought tooth and nail to keep the

falling price of a Delia Smith was quoted like the value of the Deutschmark

The falling price of a Delia Smith was quoted like the value of the Deutschmark

NBA, but we've been surprised at the result. We're not bellyaching any more." The Society of Authors reports no drop in subscriptions - authors are not giving up.

Leslie Henry, Research Director of Book Marketing Ltd, keeps all the industry statistics. "The net effect is zero," he says. "The market is stable, and hasn't changed in 15 years. Prices rise, prices fall, but it barely affects sales. People buy the books they can read, and not much more nor less." Britain buys 400 million books a

year and almost every adult buys at least one. (Remember "book" means paper inside covers, including the *A-Z of Birmingham*). There is a huge wealth of variety - 700,000 books are currently in print. Last year there were 95,000 new titles, many more than in America, with a population 40 times the size. And the number of new titles rises every year, even though total sales are static. Why? "Stupidity," says one market analyst. Others suggest it is because, for all its megatransactions and downsizing, publishing remains a gentlemanly business whose practitioners' interest in books often overrules market principles.

The 100 bestsellers do not swamp everything else, but hold the same slice of the market as ever - only one eighth. In spite of videos, computers and other new temptations, people are spending more - about 5 per cent - of their leisure income on books than before. Sixty per cent of books are "real" books - fiction, biography, history or general interest: the rest are ones whose primary purpose is not literary, but reference and "How To...". In surveys, every year around 57 per cent of the population say they are currently reading a book. We read as much as the French and Germans, from a wider selection and no less highbrow. The French are not all reading Derrida - they are more likely

to be reading Agatha Christie, as their market depends heavily on popular British writers.

The death of the British book, like the death of culture, civility, morality and education, has been exaggerated. "We are entering the post-book age," wailed one cultural pessimist recently. Really? Jane Austen, Edith Wharton, WH Auden, Louisa M Alcott and Nathaniel Hawthorne have all had their work promoted recently by Hollywood. As for the threat from computers, even Bill Gates, the software wizard, wrote his bestselling *The Road Ahead* as a book, not as a CD-Rom.

Cultural panickers like moral panic-makers see nothing but barbarism closing in on us. (A cultural panicker is one who thinks a mispronunciation on Radio 4 means the vandals are at the gates of Broadcasting House.) Their tunnel vision fixes upon the loss of Latin and Greek, but forgets the rapid spread of higher education to one in three of the population (one in eight in 1979). They ignore, or even despise, the surge in consumption of art: in any three months one in five adults goes to the theatre, one in five to an art gallery or museum, while attendance at concerts rises, as does radio listening to classical music. Surviving the hot breath of the market, the book, too, it seems, is robust, as indeed are most of our abiding values.

song "Take 5" to him at the artificial gloss of the wealthy Hamptons, on Long Island, might have made that fine jazz musician and great amateur humorist Desmond giggle. (After a woman left him for a Wall Street broker, Desmond said that the world "ends not with a whim but a banker".) That said, whereas some jazz musicians have achieved a kind of perfect off-the-cuff humour, no humorist has yet achieved a perfect kind of off-the-cuff jazz. It seems doubtful that Allen ever will. Desmond the musician will be remembered longer as a humorist than Woody Allen will ever be as a jazz musician.

On the other hand, Allen understands the use of jazz to enhance mood better than most movie directors. In his recent film *Mighty Aphrodite* the use of Paul Desmond's

Woody Allen and his New Orleans Jazz Band will be playing a concert at the Olympia Theatre in London's South Bank tonight.

During a concert with the same band at the Olympia Theatre in Paris earlier this month, Allen told the audience: "You'll have to decide for yourselves which is worse, my French or my clarinet." The packed house obviously approved of his attempts at both. The applause was deafening the entire evening. It is tempting to say that the applause came in "the wrong places" but then there were no right places.

While Allen makes no bones about being an amateur musician, shouldn't he be embarrassed about practising on our time? He's been doing it in New York every Monday night for years in

Woody's unenchanted evening

ANOTHER VIEW

Mike Zwerin

Michael's Pub, but at least you can talk over it and get sloshed in a pub. Unless you are one of those people who go out of their way to be in the same room as a star, the evening was anything but enchanted.

The rest of Allen's seven-piece band are professionals. They approach the traditional New Orleans style like professionals playing Vivaldi. With respect for tradition. But by definition jazz is supposed to be different each time. Remember the Miles Davis axiom: "Don't play what you know, play what you don't know." Put it this way, the music was not hovering over

the Olympia Theatre that night. He looked so serious, seated legs crossed, habitual horn-rim glasses, attacking ancient arpeggios. Has Woody Allen lost his sense of humour? Is he aware of how hilarious it was for Lenny Weinrib to be doing a Sidney Bechet impression with a white band? His liquorice stick (sic!) sounded more klezmer than New

Orleans - like the soundtrack of a Woody Allen movie about how jazz came up the Dnieper to Moscow from Odessa.

You wonder why he went to so much trouble to make a spectacle of himself in Europe's quality venues. He can't need the money or the glory. Maybe he just wants to play the role of a musician on the road. It's a classic male fantasy.

On the other hand, Allen understands the use of jazz to enhance mood better than most movie directors. In his recent film *Mighty Aphrodite* the use of Paul Desmond's

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ana; Professor Robert W. G. Wyse, University
of Toronto, Canada; Professor of Anatomy,
University of Arizona, Tucson, Arizona.

TODAY

Companies

Full-year figures from Pearson, the media and leisure group that includes the *Financial Times* and *Madame Tussauds*, will be studied closely in the City. Expectations have already fallen after December's modest profits warning and analysts are forecasting pre-tax profit of around £265m for the full year, a 10 per cent rise. Trading has been difficult in UK books and the US educational market.

Recent management changes have been viewed positively and the company is expected to announce further details of its successful Channel 5 application.

Argos, the catalogue shopping group, will report on an excellent year which has seen the shares soar and the company elevated to the FTSE 100. Profits are forecast to rise by around 24 per cent to £124m. The City will be looking for news on how the company plans to spend its £200m cash

pile as well as plans for new formats.

Interims: Northern Leisure, Polytype.
Finals: Astec (BSR), Brockbank, Edinburgh Oil & Gas, Glynwed, Hammerson, MAID, Kinta Kellas, Manganese Bronze, Maybor, Mid States, Pearson, Premier Oil, Royal Doulton, Select Appointments, TT Takecare, VCI, Vitac Group, Wilson Bowden.
EGMs: Enviromed, Intl Biotechnology Trust, Loxley, VDC.

Economics

The Public Sector Borrowing Requirement for February is expected to show a surplus of around £3bn after January's disappointing £3.7bn deficit. The growth in tax revenues has been extremely weak for more than a year, and this is unlikely to change. However, spending was higher than expected last time, and analysts will be looking for evidence that the Government has got this back under control.

German M3 figures and the

influential Ifo business survey this week will be scrutinised for clues about the Bundesbank's likely interest rate decision. Analysts hope for a cut.

TOMORROW

Companies

Chemicals group Albright & Wilson is expected to report a fall in profits reflecting the woes of the chemical sector. Margins have been squeezed by higher raw material costs and lower economic activity in Europe. Analysts downgraded forecasts in November and now expect profits of £32.5m compared with last year's £37.5m.

Interims: Adwest, Dorling Kindersley, Lucas Industries, Paterson Zochonis, Roxpur.

Finals: Albright & Wilson, Antofagasta Hldgs, Appleyard BSG Intl, Gus Carter, Claremont Garments, Clyde Petroleum, Dawsongroup, Delphi,

THE WEEK AHEAD

Derwent Valley Hldgs, James Fisher, Graham Gp, Hall Engineering, Hampden, Instem, Kingsbury, Metalex, Metsec, Nelson Hurst, Nottingham, Peak, Pemberton, Persons Group, Pison, Rexam, Secure Trust, SIG, Singer & Friedlander, Waiman, Wellington Hldgs.
AGMs: Everards Brewery, First Leisure, Rodime.
EGMs: Rodime, Torrex Hire.

Economics

US February housing starts. French Dec current account balance.

WEDNESDAY

Companies

Interims: Brunel Hldgs, Hollas, Town Centre Securities.
Finals: Beauford, Blenheim Brandon Hire, Britannic Assurance, W Canning, Clinton Cards, Devro Intl, Evans Hal-

shaw, Flextech, Harrison & Crossfield, Kwik-Fit, Marley, Bernard Matthews, Ropner, Sunleigh, Telspec, Trinity Intl, Wassall, Weir.
AGMs: Vardon, Ward Holdings.

Economics

Survey evidence on retail sales in February has been mixed, although the underlying trend is buoyant. The official figure is likely to show a significant bounce in volumes, which declined in January, despite continuing bad weather.

The broad money supply measure M4 was distorted in January by the start of the gilt repo market. This effect will continue in February, while take-over-related finance will also boost the lending total. Analysts still expect the 12-month growth in M4 to slow from January's alarming 10.7 per cent, and reckon the rise in bank and building society lending should decline from £9bn to £5-6bn.

Bank and building society mortgage figures released simultaneously with M4 will be scrutinised for more evidence on the housing market recovery which seems to have started in January.

Minutes of the 7 February meeting between Kenneth Clarke and Eddie George are due to be released. There was no change in rates after the meeting.

UK Feb motor vehicle production. US Feb retail sales.

THURSDAY

Companies

Expectations are low given the company's recent caution but analysts will be watching for news of current trading. United Distillers had a mixed year in 1995 with growth in emerging markets being offset by disappointments in Europe and Japan. The US could be a further area of concern. A decline

in volumes here would spell bad news not just for Guinness but for the whole industry. Full-year group profits are expected to be up slightly at £942m.

Interims: MJ Gleeson, John Maunders.
Finals: Abbot Mead Vickers, APV, Bilston & Battersea, Bladen Industries, Bruncliffe Aggregates, Cattles, Frost Group, Geest, Hopworth, John Laing, Manders, Midland Intl Newspapers, National Express Group, Quality Software, Rea Brothers, Rotork, Try Group.

Economics

The headline inflation rate is set to decline further, down from 2.9 per cent in January to perhaps 2.7 per cent. Mortgage cuts and lower petrol prices will make the main contribution. The Government's target inflation measure, the RPI less mortgage interest payments, is expected to remain unchanged at 2.4 per cent. Also, UK Jan machine tools, US Jan business inventories and US weekly jobless claims.

FRIDAY

Companies

Housebuilder Wilson Connolly is expected to report a sharp fall in profits from £38m to £25m. Volumes, prices and margins have all been under pressure. The acquisition of London Clydesdale and new land purchases should provide a platform for a better 1996.

Interims: Eurochem, Forum & Mason, McBride.

Economics

The CBI's monthly survey of industrial trends will give the most up-to-date snapshot of the state of manufacturing last month. Manufacturers' expectations have recently been more optimistic, reflecting stronger demand which has whittled down stock levels. Signs of recovery should show up next in new orders, which have not yet increased.

Research by Deutsche Morgan Grenfell, NatWest Markets and Williams de Broe

Share Price Data											
Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.											
Other details: Ex Rights = Ex-dividend as Ex or Unlisted Securities Market's Suspended; Ex Rights = Ex-dividend as Ex or Unlisted Securities Market's Suspended.											
Source: Firstst.											
The Independent Index											
The index allows you to access real-time share prices by phone from Seaq. Simply dial 0891 123 333, followed by the 4-digit code printed next to each share. To access the latest financial reports dial 0891 1233 followed by one of the two-digit codes below.											
FTSE 100 - Real-time	00	Sterling Rates	04	Privatisation Issues	36	UK Stock Market Report	01	Bahon Report	05	Water Shares	39
UK Company News	02	Wall St Report	20	Electricity Shares	40	Foreign Exchange	03	Tokyo Market	21	High Street Banks	41
Anyone with a tone-dial telephone can use this service. For a detailed description of The Independent Index, including its portfolio facility, phone 0891 123 333. For assistance, call our helpline 071 873 4375 (9.30am - 5.30pm).											
Calls cost 20p per minute (cheap rate), and 40p at all other times. Call charges include VAT.											
Interest Rates											
UK	5.00%	Germany	3.00%	US	Prime	8.75%	Japan	Discount	0.50%		
Base	5.00%	Discount	3.00%	US	Discount	5.00%	Belgium	Discount	3.00%		
France	5.00%	Canada	5.00%	UK	Fixed Rate	5.00%	Denmark	Discount	3.00%		
Interim	3.00%	Spain	7.00%	UK	1-3 Month	5.00%	Switzerland	Discount	1.50%		
Italy	5.00%	Denmark	5.00%	UK	3-6 Month	5.00%	Denmark	Discount	1.50%		
Netherlands	5.00%	Denmark	5.00%	UK	6-12 Month	5.00%	Denmark	Discount	1.50%		
Advances	5.00%	Denmark	5.00%	UK	Repo (Per)	7.85%	Denmark	Discount	1.50%		
Property											
UK	5.00%	Germany	3.00%	US	Prime	8.75%	Japan	Discount	0.50%		
Base	5.00%	Discount	3.00%	US	Discount	5.00%	Belgium	Discount	3.00%		
France	5.00%	Canada	5.00%	UK	Fixed Rate	5.00%	Denmark	Discount	3.00%		
Interim	3.00%	Spain	7.00%	UK	1-3 Month	5.00%	Switzerland	Discount	1.50%		
Italy	5.00%	Denmark	5.00%	UK	3-6 Month	5.00%	Denmark	Discount	1.50%		
Netherlands	5.00%	Denmark	5.00%	UK	6-12 Month	5.00%	Denmark	Discount	1.50%		
Advances	5.00%	Denmark	5.00%	UK	Repo (Per)	7.85%	Denmark	Discount	1.50%		
Telecommunications											
UK	5.00%	Germany	3.00%	US	Prime	8.75%	Japan	Discount	0.50%		
Base	5.00%	Discount	3.00%	US	Discount	5.00%	Belgium	Discount	3.00%		
France	5.00%	Canada	5.00%	UK	Fixed Rate	5.00%	Denmark	Discount	3.00%		
Interim	3.00%	Spain	7.00%	UK	1-3 Month	5.00%	Switzerland	Discount	1.50%		
Italy	5.00%	Denmark	5.00%	UK	3-6 Month	5.00%	Denmark	Discount	1.50%		
Netherlands	5.00%	Denmark	5.00%	UK	6-12 Month	5.00%	Denmark	Discount	1.50%		
Advances	5.00%	Denmark	5.00%	UK	Repo (Per)	7.85%	Denmark	Discount	1.50%		
Textiles & Apparel											
UK	5.00%	Germany	3.00%	US	Prime	8.75%	Japan	Discount	0.50%		
Base	5.00%	Discount	3.00%	US	Discount	5.00%	Belgium	Discount	3.00%		
France	5.00%	Canada	5.00%	UK	Fixed Rate	5.00%	Denmark	Discount	3.00%		
Interim	3.00%	Spain	7.00%	UK	1-3 Month	5.00%	Switzerland	Discount	1.50%		
Italy	5.00%	Denmark	5.00%	UK	3-6 Month	5.00%	Denmark	Discount	1.50%		
Netherlands	5.00%	Denmark	5.00%	UK	6-12 Month	5.00%	Denmark	Discount	1.50%		
Advances	5.00%	Denmark	5.00%	UK	Repo (Per)	7.85%	Denmark	Discount	1.50%		
Transport											
UK	5.00%	Germany	3.00%	US	Prime	8.75%	Japan	Discount	0.50%		
Base	5.00%	Discount	3.00%	US	Discount	5.00%	Belgium	Discount	3.00%		
France	5.00%	Canada	5.00%	UK	Fixed Rate	5.00%	Denmark	Discount	3.00%		
Interim	3.00%	Spain	7.00%	UK	1-3 Month	5.00%	Switzerland	Discount	1.50%		
Italy	5.00%	Denmark	5.00%	UK	3-6 Month	5.00%	Denmark	Discount	1.50%		
Netherlands	5.00%	Denmark	5.00%	UK	6-12 Month	5.00%	Denmark	Discount	1.50%		
Advances	5.00%	Denmark	5.00%	UK	Repo (Per)	7.85%	Denmark	Discount	1.50%		
Water											
UK	5.00%	Germany	3.00%	US	Prime	8.75%	Japan	Discount	0.50%		
Base	5.00%	Discount	3.00%	US	Discount	5.00%	Belgium	Discount	3.00%		
France	5.00%	Canada	5.00%	UK	Fixed Rate	5.00%	Denmark	Discount	3.00%		
Interim	3.00%	Spain	7.00%	UK	1-3 Month	5.00%	Switzerland	Discount	1.50%		
Italy	5.00%	Denmark	5.00%	UK	3-6 Month	5.00%	Denmark	Discount	1.50%		
Netherlands	5.00%	Denmark	5.00%	UK	6-12 Month	5.00%	Denmark	Discount	1.50%		
Advances	5.00%	Denmark	5.00%	UK	Repo (Per)	7.85%	Denmark	Discount	1.50%		
Support Services											
UK	5.00%	Germany	3.00%	US	Prime	8.75%	Japan	Discount	0.50%		
Base	5.00%	Discount	3.00%	US	Discount	5.00%	Belgium	Discount	3.00%		
France	5.00%	Canada	5.00%	UK	Fixed Rate	5.00%	Denmark	Discount	3.00%		
Interim	3.00%	Spain	7.00%	UK	1-3 Month	5.00%	Switzerland	Discount	1.50%		
Italy	5.00%	Denmark	5.00%	UK	3-6 Month	5.00%	Denmark	Discount	1.50%		
Netherlands	5.00%	Denmark	5.00%	UK	6-12 Month	5.00%	Denmark	Discount	1.50%		
Advances	5.00%	Denmark	5.00%	UK	Repo (Per)	7.85%	Denmark	Discount	1.50%		

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LOTHIAN

BT keeps door open to C&W merger

JEREMY WARNER

Merger expectations remain high, while Oftel sticks to tough line on future pricing controls

British Telecom is still hopeful of eventually securing an agreed merger with Cable & Wireless, despite the recent impasse in talks between the two over valuation and strategy.

For the time being talks have stalled, but BT is confident that they can be reopened once C&W has appointed a new chief executive to fill the gap left by the recent enforced departures of Lord Young and James Ross, chairman and chief executive of the company respectively. The new chief is thought almost certain to be one of the American candidates.

At the same time BT can expect little easing of the tough stance taken on pricing controls by the industry regulator, Oftel, in proposals to be published this week. Despite a fierce lobbying campaign from BT, Don Cruickshank, the director general of Oftel, is sticking to his guns in demanding a much lower rate of return on capital than BT has enjoyed in the past.

Any deal between BT and C&W would face formidable regulatory hurdles in Britain and Hong Kong, where C&W's most valuable asset is based - its 37.5 per cent stake in Hongkong Telecom. The merger would also encounter difficulties in Germany, where the two companies have stakes in rival telecommunications groups.

However, none of these obstacles are thought insurmountable. BT is confident that the deal would win the support of ministers.

As part of the takeover, BT would undertake to dispose of Mercury, its chief rival in the UK, and its stake in One2One, the mobile phone company. If the disposals were to one of the big foreign telecoms companies, the effect might be to strengthen competition in the UK market rather than dilute it, regulators have been told.

Ministers have already indicated that they would use the Government's golden share in C&W to block any foreign bid for C&W as a whole while rules remain in place that prevent UK companies acquiring controlling interests in overseas telephone groupings.

However, they would not in principle be opposed to a foreign takeover of Mercury by itself if the effect were to facilitate the deal with BT.

BT this week faces further confrontation with Oftel over

new price controls expected to be announced on Wednesday. Mr Cruickshank has already proposed a very substantial cut in the rate of return BT is allowed to earn on assets. This in turn would mean a further tightening of the present formula governing tariffs.

BT has lobbied hard against the new rate-of-return proposal, claiming that it is too low to ensure adequate investment in Britain's telecoms infrastructure, but there is no evidence that Mr Cruickshank is prepared to ease his position.

In a recent interview with the

Independent Sir Peter Bonfield, newly appointed chief executive of BT, said: "Everyone likes low prices but we are now amongst the lowest in the world. If return on capital is set too low you will get long-term under-investment. The best way to get sustainable lower prices is through competition and decent levels of investment, not artificial price caps."

Sir Peter insisted that the rest of the industry had been generally supportive of BT's position. He was hopeful that differences with the regulator could be sorted out during the

process of consultation, but if BT fails to get an acceptable solution, it is prepared to test its case with the Monopolies and Mergers Commission.

Sir Peter said BT would accept a very different sort of company five years hence, much more international and operating in many more different services - "a communications company rather than a telecoms company". "We would certainly expect to be the best service provider in the UK. We have a reputation internationally for technical excellence which we intend to build on. But the

regulator needs to support us in this endeavour."

Oftel promises that a tougher price cap will be accompanied by greater pricing freedoms for BT. "The price cap will remain after the summer of 1997," Mr Cruickshank says, "but what it will be and what proportion of charges it applies to is still up for grabs."

Unusually, Mr Cruickshank has found some support for his view in the City, generally highly critical of the regulator's initiatives. A recent report from Robert Fleming, the investment bank, suggests that BT is exaggerating the likely effect of Mr Cruickshank's proposals on its profits.

Treasury panel split on scope for cut in rates

DIANE COYLE
Economics Editor

A report due to be published early next month by the panel of independent advisers to the Treasury - the Chancellor's "wise people" - will show that four out of the six do not think there is scope for further cuts in the cost of borrowing.

The forecasts for the economy presented by the six economists at their meeting last week show that most think the Government's inflation target would be at risk if base rates were reduced much further.

The most optimistic about growth - who therefore think there is little call for a fourth reduction in interest rates - are Professor Tim Congdon of Lombard Street Research, Martin Weale of the National Institute for Economic and Social Research and Bridget Rosewell of Business Strategies.

Professor Congdon has warned that rapid monetary growth could take the UK inflation rate well above inflation in its European neighbours, perhaps to more than 5 per cent by 1999. Ms Rosewell emphasises the likely impact of windfalls such as building society share give-aways on consumer spending.

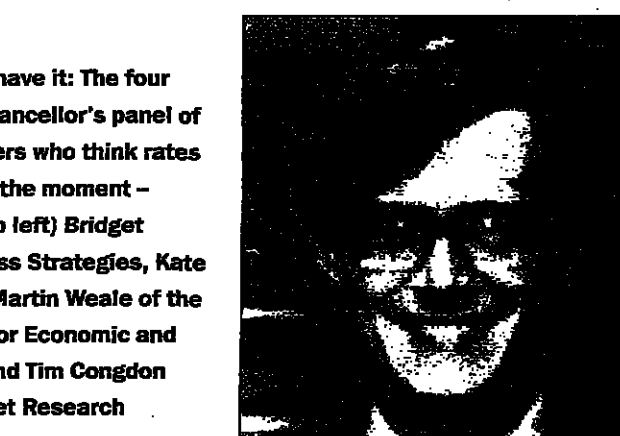
Kate Barker of the Confederation of British Industry - which predicts inflation somewhat above its target by the end of this year - believes it is sensible to keep interest rates unchanged until it is clearer how strong consumer spending might be.

The remaining two wise men - Gavyn Davies of Goldman Sachs and Professor Patrick Minford of Liverpool University - make gloomier predictions about growth this year. Mr Davies, however, thinks there is room for no more than one more base rate cut by mid-year.

Professor Minford stands out as the exception. "There should be a strong signal that the economy will be allowed to recover," he says, calling for another two point reduction to take base rates to 4 per cent.



The nay-sayers who may have it: The four members of the Chancellor's panel of independent advisers who think rates are low enough for the moment - (Clockwise from top left) Bridget Rosewell of Business Strategies, Kate Barker of the CBI, Martin Weale of the National Institute for Economic and Social Research, and Tim Congdon from Lombard Street Research



Al-Fayed adds £10m to his bid for the Observer

MATTHEW HORSMAN
Media Editor

Liberty Media, owned by Mohammed al-Fayed, has upped its bid for the *Observer* newspaper to £25m from £15m, putting pressure on the Guardian Media Group to reconsider its plan to keep the money losing title.

The earlier bid, put to the Scott Trust, the charitable organisation that controls the *Guardian*, was turned down 10 days ago, following a brief discussion by the full board.

The new offer, made late last week by Stewart Steven and John Dux, Mr Fayed's senior media executives, comes close to matching the amount the *Guardian* paid for the *Observer* in 1993. Since then the paper has lost as much as £20m, and its circulation has dropped below 500,000.

Mr Fayed is known to be keen to own a national newspaper. He has already been thwarted in attempts to buy Rupert Murdoch's *Today* and to launch a Sunday paper of his own. Both plans were shelved indefinitely last month.

He hired Mr Dux, formerly managing director of Mr Murdoch's News International, and Mr Steven, former Editor of the *Evening Standard*, to head up his new media venture last month, and has said he will not interfere with their management.

Acquisition of the *Observer* by Mr Fayed would be a ironic twist for the newspaper, since its previous owner, Lord's Tiny Rowland, used the newspaper extensively to lambast Mr Fayed during his 10-year war of words

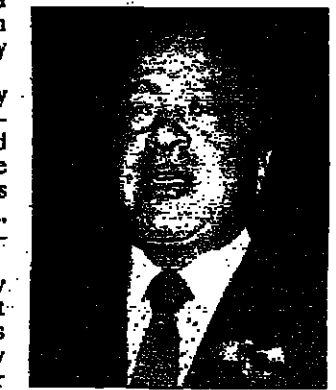
with the Egyptian businessman. The *Guardian* is believed to be resisting the higher offer, though the board is split between those who want to bail out immediately now and those who want to give editor Andrew Jaspal more time.

The *Observer's* losses have raised concerns at the *Guardian* that financial difficulties at the sister publication could force cost cutting across the entire publishing group.

Early this month, *Guardian* editor, Alan Rusbridger, announced a programme of voluntary redundancy aimed at cutting about 12 jobs.

He has insisted that there is no connection between staff cuts and the losses at the *Observer*.

As it is controlled by a charitable trust, the *Guardian* Media Group is forced to meet the operating losses at the *Observer* out of general resources, relying on money making publications such as the *Manchester Evening News*.



Mohammed al-Fayed: First offer was rejected

Call for flexible workforce grows as job prospects dim

The outlook for jobs growth during the next three months is the worst for more than three years, while the trend towards "flexible" working will accelerate, according to a new survey of employers, writes Diane Coyle.

A slowdown in the jobs market and the further spread of temporary and part-time work would undermine government

hopes of a consumer-led revival in the economy later this year. Ironically, the deterioration in employment prospects is far worse in the public sector than anywhere else, according to employment agency Manpower's survey of 2,342 firms nationwide.

The prediction of weaker employment growth follows figures last week showing the unemployment benefit count rose in February for the first time in two and a half years. There were 6,800 new unemployment benefit claimants last month. In addition 27,000 jobs were lost in manufacturing in January.

Employers are planning to increase jobs in the second quarter, the Manpower survey reports, but the balance expecting to add rather than cut staff is down to 9 per cent. This compares with 12 per cent a year earlier, making the annual trend the worst since the beginning of 1993.

The balance recorded in the quarterly survey has in the past been a good indicator of actual employment trends.

Lilian Bennett, Manpower's chairman, said flexibility of the workforce was one of management's top priorities. Firms were reluctant to take on staff they might have to shed if the economic climate took a turn for the worse.

"This trend is likely to accelerate," she said. "As the pace of change becomes more rapid, organisations have to be able to react more quickly."

The survey highlighted growing demand for temporary staff.

Job prospects for the next few months are most favourable in manufacturing, with 24 per cent of employers planning to add jobs and 10 per cent planning to cut them. Manpower reported that the prospect for jobs growth in services had improved, the only sector to do so. However, there was a marked deterioration in the banking and finance component.

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Home loans: Direct lenders are mounting a challenge to the high street providers

Phone mortgages escalate price war

NIC CICUTTI

Telephone mortgage lenders are gradually beginning to establish a beachhead in the home loan war by offering a range of heavily discounted loans to prospective borrowers.

Despite opposition from rivals operating through traditional high street branch networks, the newcomers have been able to poach new clients by consistently undercutting their opposition.

The success of telephone-based operations, including that of Direct Line Mortgages, the telephone insurance firm's home loans subsidiary, and Bradford & Bingley Mortgages Direct, the building societies' phone arm, is adding a new twist to an increasingly bitter mortgage price war.

Borrowers are being won over by telephone lenders who offer savings of up to £60 a month on the cost of a £50,000 loan.

As yet, telephone lenders have made barely a dent in the tens of billions of pounds lent each year by large banks and building societies.

Direct Line Mortgages has lent more than £250m to home buyers since launching its mortgage service 12 months ago, the company announced.

The company claimed its staff are now fielding about 250 calls an hour from potential borrowers interested in its variable mortgage rate of 6.25 per cent. Around 15,000 calls were received in the first week of this month, following a brief mention in a television programme.

After a slower start, Bradford & Bingley Mortgages Direct - whose variable rate was set last week at a record low of 5.99 per cent, below bank base rates - is now dealing with thousands of calls each week.

The company has notched up more than £100m in loans since opening for business less than a year ago.

Another telephone lender, FirstMortgage, based in London, has now lent more than £260m to home buyers. The company has recently guaranteed to match the lowest three-year fixed rate packages on the market.

Telephone lenders say that they are able to offer cheaper mortgages by doing without expensive branch networks.

Their initial success points to them grabbing an increasingly larger slice of the mortgage market over the next few years.

John Wriglesworth, head of strategy at Bradford & Bingley, said last week: "Essentially, all we do is have someone on the other end of the telephone. This means our mortgages can be cheaper than those on offer from traditional lenders."

The Bradford & Bingley's cheap mortgage through its telephone arm was also possible because of the building society's decision earlier

this month to hand back some £50m in annual profits to existing and future members.

"Because we are not planning to become a bank, we are able to pass on the benefits of our mutual status to borrowers and savers, rather than shareholders, as the banks do," he added.

Despite his leading arm's success in the past year, Peter Wood, chief executive of the Direct Line group, attacked other lenders for trying to restrict the availability of their own special deals to new borrowers - until existing customers decide to switch loans.

"It would appear that loyal customers are ignored and will continue to pay higher rates until they positively threaten to switch lenders," Mr Wood said.

"This means the vast majority of mortgage customers effectively subsidise those who obtain special deals by threatening to switch."

IN BRIEF

Far Eastern group targets Thistle

Thistle Hotels is being targeted by a consortium of Far Eastern businessmen including Kwok Leng Beng of Singapore for expansion in the UK. The consortium, Delham Investments, has acquired a 20 per cent shareholding in Brierley Investments, the New Zealand investment company which owns 70 per cent of Thistle. Kwok Leng Beng already owns Copthorne Hotels. Acquisition of Thistle would make him the second-largest hotelier in the UK.

O'Brien sues N&P

David O'Brien, former chief executive of National & Provincial building society, is suing for unfair dismissal, claiming damages and interest of more than £420,000. Mr O'Brien has been unable to reach agreement over compensation since being forced out of the job 18 months ago.

Smaller companies guilty

Small and medium-sized companies largely have themselves to blame for failure to deliver growth, according to a survey of 3,000 private companies by Binder Hamlyn and Arthur Andersen in association with the London Business School. The main constraint on growth is unwillingness to withstand the inevitable pain and hard work that growth involves, the report finds.

Unitech to hold out

Unitech, the electrical components group, is expected to hold out for at least 750p a share from Siebe, which last Friday bought a 25 per cent stake in the company from Electrowatt. The two are expected to meet this week in an attempt to reach an agreed deal.

STOCK MARKETS									
FT-SE									
Indices	Close	Week's chg	Change (%)	1995/96 High	1995/96 Low	YTD	1995/96 High	1995/96 Low	YTD
FTSE 100	3644.80	-95.5	-1.8	3781.30	2954.20	4.07	3781.30	2954.20	4.07
FTSE 250	4227.20	-23.5	-0.6	4280.00	3000.90	3.49	4280.00	3000.90	3.49
FTSE 350	1832.80	-28.1	-1.5	1889.00	1492.40	3.94	1889.00	1492.40	3.94
FT Small Cap	2066.92	-2.6	-0.1	2076.11	1578.61	3.07	2076.11	1578.61	3.07
FT All Share	1913.16	-5.9	-1.4	1964.59	1469.23	2.67	1964.59	1469.23	2.67
New York	5684.97	+114.5	+2.1	5642.42	3832.08	2.18	5642.42	3832.08	2.18
Tokyo	20190.85	+35.0	+0.2	21118.30	14485.40	0.781	21118.30	14485.40	0.781
Hong Kong	10567.58	-680.2	-5.9	11119.48	6967.93	3.531	11119.48	6967.93	3.531
Frankfurt	2458.23	-10.9	-0.4	2501.22	1910.96	1.961	2501.22	1910.96	1.961

Source: FT Information/Bloomberg

INTEREST RATES									
UK interest rates									
Benchmark yield curve 0-25 year gilt (%)	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year	25 Year
1995/96 High	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1995/96 Low	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
YTD	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
US interest rates									
Benchmark yield curve 0-30 year treasury (%)	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year	30 Year
1995/96 High	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1995/96 Low	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
YTD	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Money Market Rates									
1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year	30 Year	YTD
1995/96 High	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1995/96 Low	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
YTD	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Bond Yields									
1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year	30 Year	YTD
1995/96 High	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1995/96 Low	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
YTD	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
MAIN PRICE CHANGES									
Rises - Top 5	Price	1st Chg	2nd Chg	3rd Chg	4th Chg	5th Chg	6th Chg	7th Chg	8th Chg
1995/96 High	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1995/96 Low	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
YTD	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Falls - Top 5									
1995/96 High	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1995/96 Low	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
YTD	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

CURRENCIES									
E/S									
Close	Week's chg	1 Year Ago	2 Year Ago	3 Year Ago	5 Year Ago	10 Year Ago	30 Year Ago	YTD	1995/96 High
1995/96 High	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1995/96 Low	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
YTD	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
E/DM									
Close	Week's chg	1 Year Ago	2 Year Ago	3 Year Ago	5 Year Ago	10 Year Ago	30 Year Ago	YTD	1995/96 High</

The economic fall-out from the windfall factor

GAVYN DAVIES

Additional wealth, even when not immediately turned into spending, will make people feel better off, and a lot more forgiving of the Government

In the mid-1980s, a serious shock hit the consumer sector of the economy in the form of deregulation of the financial system, which enabled individuals to borrow much more freely than before against the security of their homes and other assets. If economists at the time had fully understood the extraordinary impact of this development, much of the sorry story of the late Thatcher years could have been avoided. But we did not, so monetary policy stayed too loose for too long, and the boom/bust cycle was reborn.

It is possible that a similar shock is about to hit the system, with similarly unpredictable results. Just as before, most economists believe that this shock will have relatively small effects. And just as before, the monetary authorities are aware of the potential for adverse surprises, yet are still choosing to leave base rates at relatively low levels. We could all be wrong again.

The shock I am referring to is the series of consumer "windfalls" due to hit the system in the next couple of years. These are outlined in Table 1, and they aggregate to £45bn over 1996 and 1997 – equivalent to more than 4 per cent of personal disposable income over that period. This is a huge number that it could clearly have an impact on consumer psychology, and potentially even determine the result of the next general election. Yet, in the main, the economics profession has concluded that the impact of these "windfalls" on consumer spending will be extremely small. Why is this?

It is basically because the dominant economic model of consumer behaviour nowadays assumes that households will not adjust their spending in a knee-jerk fashion to one-off gains in income or wealth. Only to the extent that they consider that their permanent flow of income over the rest of their

lifetimes has been "shocked" upwards will households increase spending today. Furthermore, several of the items in Table 1 are not shocks at all, but should have been fully anticipated by rational consumers.

Before looking at the main items one by one, it is important to understand the permanent income hypothesis (PIH) in common-sense terms. Simple observation suggests that households tend to resort to borrowing in order to consume more than they are earning when they are young, then build up assets in middle age, and finally run down assets in retirement. Provided that they can borrow freely against future earning power, they can therefore smooth their consumption throughout their lifetimes as income varies up and down.

Consumption is determined not by today's income but by permanent or lifetime income – defined as the expected value of future earnings from employment, plus the sum that can be generated each year from any investments they may hold. When the value of these investments increases, rational consumers increase their spending not by the full value of this rise, but only by the amount of extra income (in interest, rent or dividends) that can be generated each year from their additional investments.

One crucial assumption for this hypothesis to be valid is that consumers can borrow without hindrance against future income. If they cannot, they are said to be "liquidity constrained", and an increase in wealth can generate a much larger rise in spending than suggested by the PIH. A second crucial assumption is that households look beyond the end of their own lifetimes, and care just as much about the future welfare of their heirs as they do about their own welfare. If this is not valid, then households will seek to end their lives with no net wealth

– and any increase in wealth today will be slowly run down over the rest of their lives. This will also lead to bigger effects than the PIH suggests. Both effects probably apply to some extent in the real world.

Armed with this thinking, David Walton of Goldman Sachs has recently released a detailed special study of the windfall effect, from which the accompanying tables are taken. To start with the most straightforward, the tax cuts of £3.5bn this year will be worth 0.6 per cent to disposable income. This will probably be regarded as a permanent addition to household income, so will also add 0.6 per cent to consumer spending. By contrast, the one-off electricity rebate, which will give £50 to each household in the current quarter (worth £1.1bn in aggregate), will have almost no impact on permanent income, and may therefore have only a negligible effect on spending.

The effect of the release of £18bn of TESSAs this year is more problematic. In principle, since these accounts have been part of people's savings for several years, there was no sudden increase in wealth when many of them were "unfrozen" in January. So far, the evidence is that most of the principal amounts in these TESSAs is flowing back into new savings instruments, but that still leaves around £4.5bn of accrued interest which is not allowed to go back into TESSAs, and which could therefore be spent. It seems likely that at least some consumers have been waiting for this money to become available to relax "liquidity constraints" upon them, and that they will spend part of it. David Walton assumes that about 40 per cent of the interest (and none of the principal) leaks into spending, boosting consumption by around 0.4 per cent this year. But this is highly uncertain.

Finally, the largest factor of all, the wave of building society flotations and takeovers. This will add around £19bn to consumer net wealth in the next two years. It can be argued, as Patrick Minford has done, that all of this wealth was already recognised by the account-holders, since it lay dormant in the reserves of the society, and was owned by the society's investors. Furthermore, he argues that when the societies become public companies, they will charge more for their mortgage lending, or reduce deposit rates, either of which will reduce consumer spending. He therefore concludes that the overall effect on consumption will be negligible.

I find this hard to accept. People simply are not, I would contend, sufficiently informed to have realised in advance that the hidden reserves of the building societies were really part of their wealth. Instead, they are going to adjust their estimates of wealth upwards when the flotations occur. On past evidence, about 40 per cent of the new shares will be sold within a year, but some of this may go into other investments rather than directly into spending. The table assumes that in fact half is spent, which would boost overall consumption by 0.8 per cent next year.

Overall, then, the windfalls are calculated to boost spending by about 1.2 per cent this year, half of which comes from the tax cuts. Next year, the windfalls are worth 1.7 per cent to spending, with any further tax cuts coming on top of this. These figures are not large enough to fundamentally change the course of the economy, but neither are they negligible. They will boost the economy. And remember that additional wealth, even when not immediately turned into spending, will make people feel better off – and therefore a lot more forgiving of the Government's past misdemeanours.

Potential 'Windfalls'

Event	Estimated Size (£bn)	Effective Date
Takeovers/Flotations	1.8	Aug 1995
Lloyds/C&G	1.0	Jan 1996
Lloyds/TSB	1.4	Jun 1996
Abbey National/N&P	1.0	1997H1
Halifax/Leeds Flotation	2.8	1997H1
Woolwich Flotation	3.0	1997H2
Norwich Union Flotation	2.0	1997
Others		
Maturing TESSAs	15	1996H1
Electricity Rebates	1.1	1996Q1
Tax Cuts	3.5	1996/97

Source: Goldman Sachs

Impact on consumers' expenditure

	Addition to consumption, %	1996	1997
Tax cuts	0.6	0.6	
Electricity rebate	0.1	0.0	
TESSAs	0.4	0.3	
Bank/Building Society payouts	0.1	0.8	
Total	1.2	1.7	

Source: Goldman Sachs

A rugged path between wasteland and greenfield

Ed Gallagher, the businessman who runs the Government's new environment agency, admits he will have a tough job steering between the environmental and business lobbies.

He must prove to Friends of the Earth and Greenpeace that despite a career that took in Vauxhall Motors, Sandor, Black and Decker and Amersham International, he will be no pushover when it comes to making business behave itself. But he must also reassure employers that he will not use the agency's tough new legal powers against polluters to make unreasonable demands that cost them the earth.

Mr Gallagher has already received qualified praise from Friends of the Earth as a result of his three-year stint running the National Rivers Authority, the biggest component of the new agency.

This alone is bound to make him an object of suspicion among some harder-nosed industrialists.

Mr Gallagher says: "We have to operate in a highly charged political arena. On the one hand, there are people at the extreme end of business who think all environmental regulation is a disaster for the country's competitiveness."

"At the opposite end are those who believe no price is too high to protect the planet. We have to find some sort of middle way through that spectrum."

New legislation that comes into force soon will give him powers whose full scope is as yet untested. These include a new duty to look for cost-effective ways of tackling environmental problems, rather than what Mr Gallagher calls "gold-plated solutions."

In principle, this should be reassuring to manufacturers, because it puts economics explicitly into the environmental equation.

But some employers are worried that in a number of key areas, such as cleaning contaminated land, they have no clue yet to where the agency will draw the line between protecting the environment and forcing shareholders to pay up huge sums to put right damage caused in the past.

Mr Gallagher concedes that contaminated land is an issue where government guidelines, to be published soon, may not be enough to allay business fears.

He suspects that it will take test cases in the courts to resolve exactly how the balance of costs is shared.

The sensitivity of the issue can be judged by outside estimates that the clean-up costs may reach a national total of £20bn. Even the planned redevelopment of Mr Gallagher's temporary offices in London, in an ageing government complex in Marsham Street, will be hit by

The head of the new environment agency is gearing up to face the fury of fly-tippers, eco-warriors and anxious industrialists

unpredictable clean-up costs. It was built on the site of an old gasworks.

The central problem that the new agency faces is that for any given environmental problem there are likely to be a range of technical solutions at widely varying costs.

The choice between them involves political and environmental as well as financial judgement.

THE MONDAY INTERVIEW

ED GALLAGHER

"Our job in a lot of cases is a public relations and political fix as opposed to working out immaculate arithmetic," Mr Gallagher says.

He cites the controversy over the dumping at sea of Brent Spar – not part of his environmental remit – as a celebrated case in which the financial arithmetic of the decision was immaculate but Shell and the Government failed to carry public opinion.

So Mr Gallagher is not prepared at this stage to give assurances to industry about the cost of contaminated land clean-up.

The same applies to new rules on reducing the waste from packaging and sharing the cost of recycling through a levy on companies, another area where the Government has not yet set out the detail.

Mr Gallagher makes clear that the gloves will come off when necessary. He says: "I understand business's problems but my job is running an environment agency to protect and improve the environment. I will run my business as effectively as I can. I don't see a conflict. It helps to make business more profitable."

Mr Gallagher is enthusiastic about the extent to which voluntary investment can cut pollution and benefit industry at the same time.

He cites a scheme on the Aire & Calder navigation where pollution was cut 25 per cent through a cooperative waste management project involving

11 firms, which cut their own bills by £3m at the same time.

But he warns that the solutions may not always be so comfortable. "There will be occasions where business and the environment do not get on. If there aren't cheap ways we may have to go the expensive way."

The role of the agency, the largest and most powerful of its kind in Europe, includes helping to implement the Government's deregulation initiative, a brief that should certainly please business.

A key objective of the new agency is to provide companies with a "first-stop shop" that will make it easier to deal with complex regulations contained in a confusing morass of 29 separate pieces of legislation. There will be special help for small businesses.

Companies will also benefit from better appeal procedures that will allow factory managers to challenge the decisions of inspectors, Mr Gallagher says.

From 1 April, the agency will bring together the NRA,

Her Majesty's Inspectorate of Pollution and 83 local government waste management authorities.

Some employers are concerned that the agency's senior management is dominated by the NRA, a body whose environmental mission could be costly for industry if it sets the tone for the whole agency.

Mr Gallagher boasts that the NRA has improved water quality by 25 per cent under his stewardship over the last three years.

In contrast, Her Majesty's Inspectorate of Pollution is staffed by specialist engineers and technicians, experienced in negotiating complex pollution control deals in discussions at senior level in larger companies. Their method of working has always taken cost into account when setting requirements.

The 1,200 local authority waste regulation officers around the country are an entirely different breed from the NRA and HMIP.

Inspectors deal regularly with fly-tippers and scrap merchants, and so potentially dangerous is the job that they have recently been sent on unarmed combat courses.

In London, a fly-tipper who dumped styrene and caustic soda was jailed for 18 months. Even reputable companies such as Coaltex have faced expensive prosecutions. But there is inconsistency between the different local authorities, and industry worries how they will react to national co-ordination from the new agency's headquarters in Bristol.

Mr Gallagher says he is well aware of the problem of merging the three cultures in an organisation with a budget of £550m and 9,300 staff.

Where appropriate, he intends to shift the emphasis from prosecution to prevention. Mr Gallagher says: "I expect the NRA will do a lot more enforcement rather than prosecution."

The difficulty with relying on prosecution is that once an incident gets to court the damage is already done.

One of the most important changes in the new legislation is that powers to enforce pollution controls – to stop abuses while they are happening rather than prosecute after the event – will be extended from HMIP to the activities of the NRA.

Mr Gallagher sees the correct balance for the agency as being to move more slowly than some of the more aggressive environmental groups demand but faster than industry would like.

Peter Rodgers



An object of suspicion: Ed Gallagher's NRA stint has raised some business hackles ...

Photographs: Philip Meech

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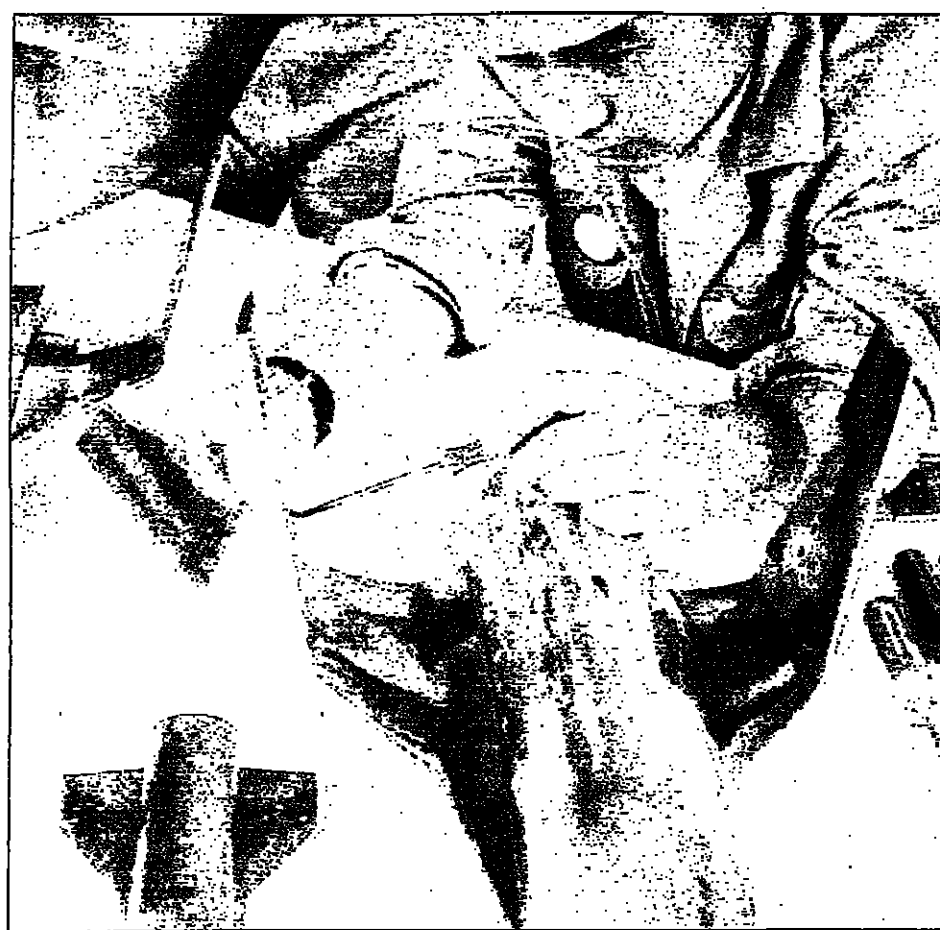
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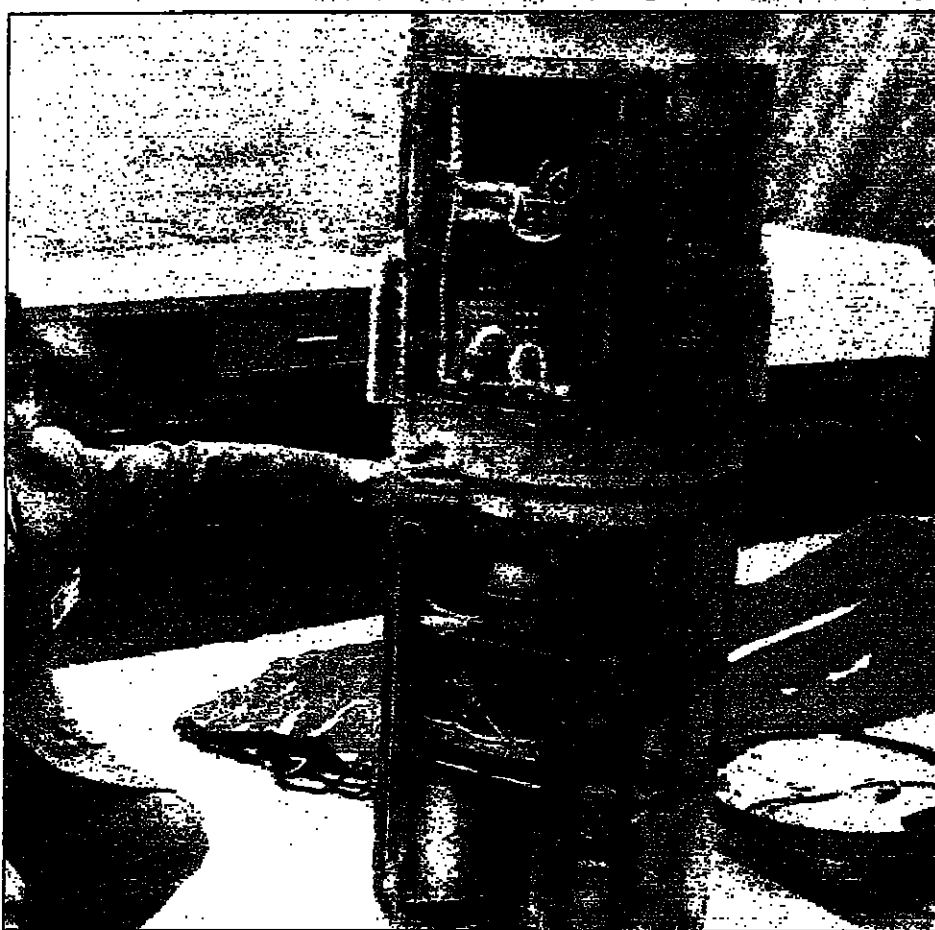
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SCIENCE

Out of the media spotlight, Japan's space programme is making steady progress. By Raymond Whitaker



Out of this world: wind tunnel models of the Hope space plane (left) and (right) the recovered payload section from Japan's first foray into space



Science Photo Library

The rising sun aims for the Moon

The cucumber-shaped island of Tanegashima has a significance in Japanese history that belies its tiny size. In 1543 Portuguese sailors shipwrecked on its windy shores introduced firearms to Japan, tipping the balance of power among the country's warlords and making the island's name synonymous in Japanese with any type of gun.

Four and a half centuries later, the projectiles being fired from Tanegashima go a lot further and higher. It is the launchpad for a space programme that aims to put a made-in-Japan unmanned spacecraft on the Moon during the first quarter of the 21st century, and ultimately to send Japanese astronauts to Earth's nearest neighbour. More than 100 launches have been made in the past 28 years, including 25 large space vehicles and 33 satellites.

Japan's steady advance into space has attracted far less attention than the Russian or American programmes, probably because none of its flights have been manned. This was noticeable last month, when the US Space Shuttle's failure to deploy a satellite on a 12-mile cable gained high publicity, but it was preceded by a less-publicised setback for Japan's space scientists. Their Hypersonic Flight

Experiment vehicle, Hyflex, was successfully launched into the fringes of space, but sank after splashing down in the Pacific. Both missions suffered the loss of tens of millions of dollars' worth of equipment thanks to the most basic failure: a snapped cable, which in Hyflex's case caused it to part company with its flotation bags.

All the same, Takane Kobayashi, deputy director of Tanegashima's space centre, insisted that data for 12 of the 14 tests Hyflex had been designed to carry out were successfully captured by telemetry. "We got 90 per cent of what we needed for Hope," Hope is the name of the unmanned space shuttle designed to take off, dock with the orbiting space station being developed jointly by the US, Japan, Russia, Canada and the European Space Agency, and land back on Earth, all completely automatically.

In May, the National Space Development Agency of Japan (Nasda) is due to begin testing an automatic landing vehicle, known as Allflex. It will be dropped from a helicopter high above Australia and, if all goes well, touch down at Woomera, the site of many British rocket tests in the days when this country still aspired to an independent space programme. "The next step," said Mr Kobayashi, "will be to launch a nine-tonne experimental space vehicle, nearly half the final weight of Hope, and after that we will launch a full payload."

Nasda has grown steadily from its origins in the late 1960s, when it had a staff of 150 and a budget of ¥3.1bn (£19.5m). Tanegashima was chosen as the launch site because of its relative proximity to the Equator—Okinawa, which is further south, was not returned to Japanese control by the US until 1972. A permanent staff of 70, all wearing Nasda's cream-coloured uniforms, now works on the island, a number that swells to as many as 800 when a launch is imminent. Japan's space expenditure is expected to reach ¥231.2bn (£1.4bn) this year.

Critics of Japanese industry often claim that it is essentially imitative—brilliant at turning others' discoveries into marketable products, and making them more cheaply than anyone else, but incapable of original ideas or research. It might be argued that these characteristics are reflected in Japan's space programme too: so far it is breaking no new scientific ground, and by concentrating on unmanned craft Nasda is going

for the cheap option, since it can dispense with the safety systems that add drastically to the cost of piloted vehicles. There is even a whiff of the marketing men in "brand" names such as Hyflex, Allflex and Hope.

Mr Kobayashi says Japan must ascend the same learning curve as the nations that pioneered space research, so as to be able to work effectively with them in the future. "It's not that we want to keep to ourselves. When the scale of the project makes it necessary, we will work with others. Sending a man to the moon can be done within a nation's budget, but no single country could build a base there. That will also be a joint project. We are not producing new scientific data yet, but we hope to do original work later. Japan is strong in technology such as robotics and computers, so it makes sense to concentrate on unmanned flight."

Even if the Americans can say of the moon: "Been there, done that", today's technology could produce much more detailed information, argues the Nasda man. "For example, we plan to launch a vehicle called Penetrator that would bore into the moon to determine if there have been earthquakes there. The conventional view is that they

could not have happened. If we could prove this either way, it would be a major piece of original research."

Some of Japan's Asian neighbours, however, feel more than a few qualms at the sight of ever-larger rockets, emblazoned with the rising sun and "Nippon" in giant letters, rising from the launchpads of Tanegashima. They fear that the island's activities could alter the regional balance of power as dramatically as those Portuguese arquebuses were long ago. With the region's potential for instability being demonstrated by China firing missiles close to Taiwan, hundreds of Russian nuclear warheads still based in the Far East, and North Korea, which is suspected of attempting to develop nuclear weapons, possessing upgraded Scuds capable of reaching many of Japan's principal cities, there appear to be strong incentives to put Nasda's knowledge to military use.

The Japanese insist that their space programme, like their nuclear development, is entirely for peaceful purposes. But nobody doubts that they have the capacity to build a nuclear missile, however unlikely that might be in the light of their political and constitutional safeguards, let alone its own experience of atomic devastation.

"Our charter specifically prohibits our work being used for military purposes," said Mr Kobayashi. "Although we are not set up primarily as a commercial organisation either, we are allowed to sell our technical know-how, but there are constraints on trading in any equipment or materials that might have a military application."

"The perception remains among Asians that Japan might revert to militarism," the Nasda official added. "I admit there is always that potential fear among our neighbours. All we can do is try to prove them wrong."

CS spray and its 'safe' components

John Emsley on the history of the controversial crowd disperser

molecule of the month

Police in Britain now carry spray cans of what is misleadingly referred to as CS gas. In fact, CS is a white solid which melts at 96°C, and the cans contain a solution of CS dissolved in a solvent. When a jet of this is fired into an assemblage of eyes, the crystals will immediately be disabled by uncontrollable weeping.

The spray has again been controversial, with the death on Saturday of Ibrahim Sey (29), who was restrained by police in London using CS spray.

CS is regarded as one of the safest ways of incapacitating an assailant, but it can cause harm. Police tests with CS sprays last summer were halted for a time when one Metropolitan Police instructor suffered burns.

Dr Alastair Hay, reader in chemical pathology at Leeds University, specialises in toxicology and is chairman of the Working Party on Chemical and Biological Warfare, which has been monitoring agents like CS for many years. "In theory, CS is safe, although those with asthma could react badly to it," Hay believes the police should keep a log of whenever they use it.

CS and other eye irritants have been used by riot police for more than 50 years, and are dispersed in the form of smoke from canisters, hence the name "tear gas". Most were discovered earlier this century as part of military research into chemical warfare agents. The German army was the first to use a tear gas in the First World War when they fired shells filled with benzyl bromide at both Russian positions and French troops.

During that war more than 20 eye irritants were discovered, and interest in tear gas continued. In 1928, two American chemists, Ben Corson and Roger Stoughton, of Middlebury College, Vermont, made a series of new compounds, each with two cyanide units. While most were innocuous materials, they recorded that one had "disastrous" effects when handled. This was a simple molecule consisting of a benzene ring to which was connected a chlorine atom and a double bond with the two cyanides. Its chemical name was 2-chlorobenzylidene malononitrile; today we know it as CS.

The military gave it this code as one of a series of "C" agents. Others were CN, which stands for cyanophenylketene, and this was used as a tear gas until it was discovered to have carcinogenic properties. The worst of the eye irritants is CR, or dibenz-1,4-diazepine, but this is considered too severe for general use.

All eye irritants act on the nerve endings of the mucous membrane of the eye by triggering certain key enzymes, which unleash a flood of tears to wash away the offending molecules. Eye irritants work by attaching themselves to sulphur sites within the enzymes, and it is molecules that can react with these sites which cause the protective response.

The enzymes are there to monitor and protect the eyes, and we experience their action when we encounter formaldehyde in smoke and thiopropional oxide from chopped onions. Both produce the symptoms of enzyme overactivity: a stinging sensation, a closing of the eyelids, a flow of tears and inflammation.

Move away from the source and within a few minutes these symptoms disappear. This is also true of CS, whose effects wear off within about 15 minutes. Just one milligram of CS in a cubic metre of air will incapacitate most people, which is why a tear-gas grenade is highly effective at dispersing a crowd.

The health and safety of CS were debated for many years and the government issued its two-part report in 1969 and 1971. This confirmed that it was a suitable agent for riot control because it met the criteria of being effective but harmless, and had a short recovery time without the need for medical attention. CS can pose a threat to health but only at levels several thousand times stronger than that needed for crowd control in police sprays. (Then a very serious risk, such as that seen as a chemical warfare agent, is that people have died because of it.)

Dr John Emsley is science writer in residence at Imperial College, London.

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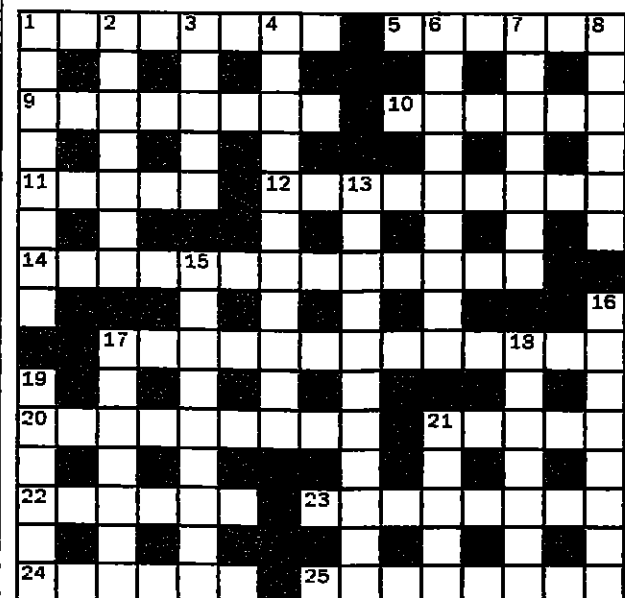
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No. 2937, Monday 18 March

By Portia



25 Elected positions for example (8)

DOWN

- 1 Anything but smooth-talking (8)
- 2 A number row about old Roman vessel (7)
- 3 Not looking good up to a point? (5)
- 4 Drop of tonic used in mixture (11)
- 5 Food store isn't full (5,4)
- 7 Mount finished first to steal the show (7)
- 8 Team withdrawn from top level event (6)
- 13 Many others degenerate and get down-hearted (11)
- 15 Fantastic elation about several being safe from harm (9)
- 16 Roughly integral figure (8)
- 17 It retains style of original musical score (7)
- 18 Fellow fighting against breakaway group (7)
- 19 Amateur in race contracting injury (6)
- 21 Force small child, by the sound of it (5)

ACROSS

- 1 Stock response to fear? (8)
- 5 Give one's word on land say (6)
- 9 Notify American who's put in estimate (8)
- 10 Heavy weight subject for paper (6)
- 11 Pass middle-men an unknown quantity of fish (5)
- 12 Swing round left entering castle I renovated (9)
- 14 Savoury dish is smashing—no, he loathed it (4-2-3-4)
- 17 Dislike being pushed through (4-2-4-3)
- 20 Chap's foreboding over a girl (9)
- 21 Mark, ring and order a coffee (5)
- 22 Hardy book? (6)
- 23 Growing tired of block arrangement (8)
- 24 Greyish-brown headstone's put back (6)

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